

Indiana Low-Income Household Water Assistance Program Intake and Operations Program Manual

2022-2023

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IMPORTANT ACRONYMS AND INITIALISMS

CSBG	Community Services Block Grant
DOE	Department of Energy
DWD	Department of Workforce Development
EAP	Energy Assistance Program
EITC	Earned Income Tax Credit
ERR	Emergency Repair and Replace
ES	Emergency Services
HCV	Housing Choice Voucher, a.k.a. Section 8
HHS	Health and Human Services
HUD	Housing and Urban Development
IHCDA	Indiana Housing and Community Development Authority
IURC	Indiana Utility Regulatory Commission
IVA	Income Verification Affidavit
LIHWAP	Low-Income Home Energy Assistance Program
LIHWAP	Low-Income Household Water Assistance Program
LLA	Landlord Affidavit
LSP	Local Service Provider
MOA	Memorandum of Agreement
OUC	Office of Utility Consumer Counselor
QA	Quality Assurance
ROMA	Results-Oriented Management and Accountability
SMI	State Median Income
SNAP	Supplemental Nutrition Assistance Program, a.k.a. Food Stamps
SS	Social Security
SSA	Social Security Administration
SSDI	Social Security Disability Insurance
SSI	Supplemental Security Income
SSN	Social Security Number
VA	Veterans Affairs
VASH	Veterans Affairs Supportive Housing

1. Introduction

1.1 About the Low-Income Household Water Assistance Program (LIHWAP)

Administered by the Indiana Housing and Community Development Authority (IHCDA), the Low-Income Household Water Assistance Program (LIHWAP) provides funds as an annual one-time benefit to assist low-income household with water and wastewater bills. For the 2022-2023 program year, LIHWAP will aid in the form of arrearage (past due balance), payments to households with water and/or wastewater services that are disconnected or pending disconnection, as well as households seeking help with current water bills (no past due balance). To administer these funds, IHCDA will utilize community-based organizations.

Community based organizations are designated by federal regulation and under contract with the IHCDA as the local agencies administering the Water Assistance Program. The State has designated twenty (20) community organizations referred to as *Local Service Providers* (LSPs). A complete list of local service provider contacts can be found in **Appendix B –Local Service Providers** in the **PY2023 Indiana LIHWAP Intake and Operations Program Manual**. Through these LSPs, applications for Water Assistance are accepted in person, through a mail-in process, via online application, or through another subcontractor. These organizations are responsible for eligibility and benefit determination and timely submission of payment transmittals to vendors. These organizations ensure that the program covers all of Indiana's 92 counties.

The Water Assistance Program treats all households equitably when determining eligibility. The program is intended to assist low-income households with arrearages and, if applicable, current charges and fees, in order to reduce their water/wastewater burden.

For questions concerning the program, or to submit feedback on the program's policies, please contact the Community Programs Manager for the Water Assistance Program:

Indiana Housing and Community Development Authority, 30 S Meridian Street Suite 800, Indianapolis, IN 46204, Attn: Community Programs Manager – Water; via telephone at 1-800-872-0371; or via email at water@ihcda.IN.gov.

1.2 Water and Wastewater Benefits

The purpose of LIHWAP funds is to ensure that all eligible people living within the State of Indiana who have a water and/or wastewater burden have utility service. Benefit payments are made directly to the utility vendors on behalf of the eligible household. Taxes are also covered by the benefit, as well as connection and reconnection fees in the event service has been disconnected.

In summary, allowable expenses are water/wastewater arrearages, fees associated with water disconnection, reconnection. Allowable charges also specifically include Stormwater and Fire Protection Fees/Fire Hydrant Fees. Prohibited expenses are water/wastewater

infrastructure repairs, water pipe repairs (HHS recommends the use of CSBG), or private well water/septic systems.

The amount of the benefit is computed at a rate determined by IHCD based on available funding and arrearages and fees reported on the household's most recent water and wastewater bill.

Households seeking assistance will require a benefit matrix calculation to determine the amount of assistance the household will receive. These benefit amounts are calculated by awarding points based on factors within four categories:

- Income level
- Household size
- Current water charges (excluding unallowable charges)
- At-risk status

1.3 LIHWAP Operation

For PY2023, the statewide database of record will be EAPConnect. Both EAP and Water applications and data will be housed here. All references to the statewide database in this manual shall be understood to refer to EAPConnect, and not to any other database or user interface.

The following program administration dates apply for the upcoming program year:

PRE-PROGRAM YEAR SEASON	
Key Dates	Purpose
September 6, 2022	LSPs may send mail-in application packets to at-risk households and/or households determined needing assistance by local LSPs. LSPs may distribute Water Applications and/or post to their websites for the general public.
September 19, 2022	Applications may be entered into the statewide database.

WATER ASSISTANCE SEASON	
Key Dates	Purpose
October 1, 2022	Opening day of Federal PY2023. Online application opens to the public. LSPs may distribute mail-in applications to households who do not qualify as at-risk.
October 3, 2022	Online application opens to the public. LSPs may distribute mail-in applications to households who do not qualify as at-risk.
November 1, 2022	Statewide start of the Water Assistance Program: <ul style="list-style-type: none">• Transmittals may be sent to utility vendors.• Applicant Notification letters may be sent to clients.
May 15, 2023	End of Water application period at 5:00pm Eastern time.

May 30, 2023	All incomplete Water applications must be fully processed.
June 10, 2023	Last day to submit transmittals.
June 27, 2023	All vendors must be fully reconciled.

PROGRAM CLOSEOUT	
Key Dates	Purpose
September 30, 2023	Last calendar day of Federal PY2023.
October 18, 2023	All claims for reimbursement are due to IHCD.
October 25, 2023	Closeout Reports due to IHCD.

Standard turnaround times routinely used within EAPConnect:

Response Requirement to Applicant	Turnaround Time
Process time for face-to face appointments, notify of approval or denial.	10 calendar days
Denial of incomplete application.	14 calendar days
Applicant written appeal to LSP	30 calendar days
LSP written appeal response to applicant/client.	14 calendar days
Maximum time period to notify mail-in or online applicants of eligibility determination. (Processing time does not start until November 1 for early at-risk applicants.)	55 calendar days
Maximum time period before an application must be denied (Applicants must submit new application 55 days after initial application date).	
Minimum time period before a denied applicant may submit a new application for assistance.	

PROGRAM FORMS
Water Assistance Program is a statewide program administered by various providers who each operate independently. To assure program consistency and integrity, certain functions of Water must be standard across all service providers. For that reason, any document that has an IHCD logo or is generated through the statewide database is proprietary to IHCD and must not be changed or altered by the local service provider unless instructed otherwise by IHCD.

2. LIHWAP Application Processing

The LSP or its subcontractor must provide an application to anyone who requests one and accept an application from anyone who wishes to submit one. The LSP will review and determine LIHWAP eligibility based on information received from the applicant and the LSP's available budget.

A household must apply for the Water Assistance Program at the local office of their primary residence, at another site authorized by the LSP (such as a Township Trustee or other LSP subcontractor), or through the online portal. IHCDAs must be informed of all local application sites, addresses, phone numbers, and times of operation.

- IHCDAs require LSPs to operate at least one drop off or walk-in site in each county that they serve for the complete Water application period. This site can be operated by the LSP itself or through a partnership with another community organization.
- LSPs are required to ensure that persons with limited English proficiency (LEP) have meaningful and equal access to benefits and services. The LSP is required to provide spoken translation in addition to translated written publications as some individuals may not read English or other languages. The LSP must have a mechanism to communicate orally with people with LEP.

2.1 Application Dates

The LSP must make a timely and accurate determination of the household's eligibility for benefits within the timeline below:

- For appointments: Fourteen (14) calendar days of the application's completion.
- For mail-ins: Fifty-five (55) calendar days of application date. This time frame starts on November 1. Any application received before November 1 would have to be processed within 55 calendar days of November 1.

Dates are defined as follows:

- Application date: The date an application is first received by the LSP. LSPs must date stamp all incoming mail-in applications when received. These applications should be processed on a first-received, first-serve basis.
- Completed mail-in applications received before November 1 should be assigned the date received, not the program start date.
- Completion date: The date when all required documents have been submitted and the LSP has verified that all information is correct. Applications should not be processed prior to receiving all information required to determine eligibility.
- LSPs should record in statewide database the date that the application was received, the date that request for more documents was sent if the application is incomplete, and the date of completion. Application dates in the database should not be changed. LSPs should ensure that a clear trace of the application's timeline is recorded, especially in cases in which a household reapplies.
- Recommended best practice is to date-stamp every page of every document when it is received to clearly show the timeline and how date determinations were made.

Households must be notified in writing of their approval or denial and the amount of their benefit. If the applicant is approved, he or she will receive a letter stating the amount of the benefit. All status notification letters must be included in the client's file. Notification letters

may be sent via postal mail or may be sent electronically if an applicant household has provided an e-mail address and consented to notification via e-mail.

The LSP must ensure that applications are complete and that all applications are signed and placed in the applicant file. A household application may be approved only one time during the program year.

The Water Application includes a release of information disclosure for all applicants.

If the application is processed before receiving all documentation required to accurately determine eligibility, the LSP will be required to pay back a portion or all of the benefit during monitoring. LSPs must enter all applications into the statewide database.

2.2 LSP Employee or Sub-Contractor Applications

Any applicant household that includes an LSP staff member, governing board member, sub-contractor, or relative of any such member must be received and processed by the Program Manager or an appropriate supervisory-level designee and reviewed by the Executive Director, Human Resources Director, or Board President for determination for approval or denial of a benefit. Relatives of the Executive Director should have their file reviewed and approved by a designated member of the LSP's governing board or a board committee.

Relatives are any person(s) applying with the following relationship to a staff member, governing board member, or sub-contractor: spouse, sibling, parent, grandparent, child, grandchild, parent in-law-in-law, sibling-in-law, aunt, uncle, niece, or nephew.

All required LIHWAP policies, procedures, and deadlines are applicable. LSPs are to store paper applicant files with the Program Manager or Executive Director as an added measure of privacy for LSP staff and/or its relatives. These files must also be marked "confidential" within the statewide database.

LSP staff or relatives receiving benefits must undergo quality assurance (QA) by a supervisor in the LSP who is not related to the recipient of the benefits and did not determine eligibility. All above reviews must be documented in the statewide database and must be completed prior to transmitting benefits to the utility providers.

2.3 Application Packet

LSPs must use the state-wide application (see [Form EAP-APPL-2023 – Statewide Application](#)), which may be obtained from the Community Programs division upon request. Subgrantees must add their agency name, logo, and contact information to the application prior to distributing to the public. The application must be accompanied by the instruction page as well as the Privacy Notice and Rights and Responsibilities, which includes federally mandated disclosures.

2.3a Incomplete Applications

An application is considered incomplete if the household fails to provide all documentation necessary to complete the client eligibility review, fails to complete all required fields of the application, provided documentation that is illegible or insufficient, or otherwise did not provide the LSP with the information needed to properly complete an eligibility review. Even though an application is incomplete, the LSPs must enter it into the statewide database. The household must receive a letter identifying items that need to be submitted to complete the application and a timeline for submission. The letter must indicate that the file will be denied if the items are not submitted within 14 calendar days. The incomplete letter must be in the client's file.

LSPs may inform the applicant of the incomplete status via electronic notification or a telephone call, but LSPs must also send out the incomplete letter through postal mail or hand a copy of the letter to the applicant if the applicant is physically present.

Applicants who do not submit the required information within 14 days will have their applications denied by the LSP. The denial letter will specify that any appeals must include the requested information in order to be taken into consideration. Alternatively, applicants may submit a new application with updated income information 55 days following their previous application, based on the date the LSP received the application.

2.3b Denied Applications

If upon completion of the LIHWAP application, a household is found to be over the income or does not meet another criterion of the Water Assistance Program, the household is ineligible for Water benefits. Applications may be denied for the following reasons, not necessarily limited to:

- Over income guidelines.
- Failed to meet other eligibility criteria.
- Failed to submit required documents to complete eligibility process.
- Falsified information or documentation which was discovered by the LSP prior to awarding benefits.

The applicant must be notified of his or her denial in writing using notification letters generated by the statewide database. LSPs must retain documentation of the household's notification letters, which include the client's appeal rights, in the client's files.

2.4 Client Appeals

Applicants may appeal any eligibility determination with which they do not agree, including a denial, or the perceived failure of an LSP to take action on a submitted application within a reasonable timeframe. Allowing a client to appeal an LSP decision is mandatory for the Water Assistance Program. The appeals procedure must be communicated to households whose assistance has been denied. When the LSP

provides written notification of denial to an applicant, the notification must include the household's right to appeal that determination. This information is included on the Applicant Denial Form.

Step One: The client must send his or her written appeal to the local LSP's LIHWAP/EAP Manager or Executive Director within thirty (30) calendar days of receipt of the denial. The LSP's Executive Director or LIHWAP/EAP Manager determines the applicant's eligibility on review within fourteen (14) calendar days of receipt of the applicant's written appeal. All appeal documentation must be uploaded to the statewide database with notes. IHCD's Community Programs Manager must be notified of all denied appeals.

Step Two: If the applicant is not satisfied with the LSP's determination, he or she may request formal review by the State, but it must be submitted in writing. This request is made by submitting the appeal to IHCD's Community Programs Manager for the Water Assistance Program. The LSP may submit this appeal on behalf of the client, or the client may submit it directly to IHCD. This request for formal review must be made within thirty (30) calendar days of receipt of the LSP's appeal determination. IHCD's Community Program Manager reviews the materials submitted and issues a written finding to the applicant and the LSP, based on the documentation submitted within fourteen (14) calendar days of receipt. If an applicant needs assistance with this procedure, he or she may call IHCD.

Step Three: If the applicant is still not satisfied, he or she may appeal to IHCD's Director of Energy & Utility Programs. The applicant must request this appeal within thirty (30) calendar days of being notified of IHCD's Community Programs Manager's decision. IHCD alerts the LSP of the pending formal review. Requests for a formal review should be sent to the attention of the Director of Energy & Utility Programs.

The request for review must include the stated reasons for the Applicant's objection to the decision, which reasons must be based solely upon evidence supporting one (1) of the following circumstances:

- Clear and substantial error or misstated facts which were relied on in making the decision being challenged.
- Unfair competition or conflict of interest in the decision-making process.
- An illegal, unethical, or improper act.
- Any other legal basis that may substantially alter the decision.

The Applicant receives written acknowledgement of the request within seven (7) calendar days of its receipt, noting the day the request was received. The Director of Energy & Utility Programs has thirty (30) calendar days from IHCD's receipt of the written request to review the file and make a determination. The decision of the Director of Energy & Utility Programs is final. At the time of the formal review, the benefit in question will be considered as obligated until the appeal is resolved. If the formal review is successful, the LSP will pay the benefit amount to the appropriate household or vendor. If the formal review is unsuccessful, the funds will revert to the program.

3. LIHWAP Documentation

3.1 LIHWAP Statewide Application

All applicants must fill out and sign the LIHWAP/EAP statewide application. It is acceptable for intake workers to fill out an application for a client or add information over the phone.

An LIHWAP/EAP intake staff signature is not required on the application. Signature by the LIHWAP/EAP applicant is not required if the application is taken over the phone. Notes, however, must be made on the application or in the statewide database that the information was taken over the phone.

If an applicant fills in an application online (e.g., as a fillable PDF) and submits the application through email, then no signature is required. If intake staff fill out an application online for a client during a home visit, the applicant does not have to sign. LSPs are to make notes in the statewide database to explain in these situations.

If an applicant completes an application through the online portal, the application is electronically signed when it is submitted.

The LIHWAP/EAP statewide application collects eligibility information for LIHWAP/EAP, but also collects statistical data for CSBG reporting for the Module 4, Section C: All Characteristics Report (see <https://nascsp.org/csbg/csbg-data-collection-and-reporting/csbg-annual-report/module-4/>). Several questions on the LIHWAP/EAP statewide application are present solely for this purpose. CSBG statistical information must be entered accurately into the statewide database and must match information provided on the application form or over the phone.

3.2 Photo Identification

The head of household who is applying for water must provide a copy of their State Identification or federally issued photo identification. Documentation may include a Driver's License (does not have to be valid and address does not have to match), Military ID (do not copy, see Section 4.4, *Who is Considered At Risk, Veterans and Military Personnel*), passport, etc. If the participant's religion does not allow them to be photographed, an ID without a photograph is acceptable. Applicants only have to provide photo identification once. Copies of photo identification cards from previous years can be used for the current year if the person's name has not changed. Copies of the cards from previous years should be copied and put in current year files.

3.3 Indiana Residency

The applicant must have resided in the State of Indiana for at least thirty (30) calendar days prior to the time of application to be eligible for the Water Assistance Program. The best verification for Indiana residency is the utility bill in the applicant's name and reflecting

the applicant's current address. Applicants submitting a utility bill in their own name with their current address do not have to submit any other kind of documentation to prove Indiana residency.

Other proof of residency may include:

- Driver's License with current address
- Lease agreement listing the applicant's name and current residence
- Completed Landlord Affidavit form
- Employer's statement or pay stub listing residence address
- Mortgage document.
- Bank or credit card statement.
- Letter from a medical or correctional facility.

3.4 Citizenship/Qualified Non-US Citizen

In addition to the above criteria, eligible household members must be United States (U.S.) citizens, U.S. Nationals, or qualified non-US citizens (aliens) as defined by 8 U.S.C §1641(b). Applicants submitting Social Security Cards (SSNs) will not have to submit any other kind of proof of citizenship or qualified non-US Citizen Status.

Persons who are not citizens or qualified non-US citizens are considered to be ineligible household members. Ineligible household members living with eligible household members do not disqualify the family from receiving assistance.

3.4a Households with Ineligible Applicants

LSPs are not to deter or deny applicants from applying for assistance if they are ineligible or if they reside with ineligible individuals. An applicant must only be eighteen (18) to apply. Accordingly, an applicant can be either an eligible applicant (able to receive LIHWAP benefits) or an ineligible applicant (unable to receive LIHWAP benefits but applying for the eligible members).

To calculate the household's eligibility, an LSP will exclude the ineligible household members from the total number of household members (total household size) when calculating the benefit amount. The income of the ineligible household member, however, must be counted when determining the total household income eligibility. Income of all household members regardless of eligibility must be documented.

3.5 Social Security Number

A Social Security Number (SSN) is required for all persons in the household age one (1) and older. Applicants must provide proof of Social Security Number. Applicants only have to provide proof of SSN once. Copies of SSN cards from previous years can be used for the current year if the person's name has not changed, even if the card has been redacted. Individuals who do not have or refuse to furnish an SSN are considered an

ineligible household member. SSN documentation that reads, “Authorized for work use only” is acceptable.

Social Security Numbers are no longer being required to be written in full on the statewide application. Intake workers should collect the SSN numbers from the SSN documentation.

Real IDs (Indiana drivers licenses or State IDs with a star on the corner, see below) or United States Passports can be used in place of SSN documentation. If a client provides only the last four numbers of his or her SSN as well as a REAL ID or a United States Passport, then the person does not have to provide any further SSN verification.

When a household member over the age of one (1) cannot provide an SSN, the LSP will enter the household member and use nines or zeros in place of the Social Security number. The application should remain in incomplete status until the SSN is verified or the individual becomes classified as an ineligible household member. All zeros or nines can be entered for household members under age one (1).

The web site for the SSN application form and instructions for applying for a new Social Security number can be found at: <http://www.ssa.gov/online/forms.html> (Form SS-5 Application for a Social Security Card). LSPs should assist applicants to apply for Social Security numbers and the necessary documentation.

All LSPs are required to retain a copy of the documentation used to verify the SSN. LSPs should ask to see Social Security cards and copy the cards for the files. Once an applicant has furnished a Social Security card and a copy of the card has been made, the LSP does not have to ask for the Social Security card again. Copies of the cards from previous years should be copied and put in current year files. If the LSP receives a worn, illegible SSN Card, the LSP should maintain the best version possible.

If an LSP would like to maintain a non-redacted hard copy of the identity verification documents, this is permitted as long as LSP staff have completed confidentiality documentation and provided that any personally identifiable information is kept in a locked file.

3.6 Social Security Verification

Each household member aged one (1) and over must have a valid Social Security number as part of the eligibility process. LSPs should assist applicants to apply for Social Security numbers and the necessary documentation.

The preferred method of Social Security validation is the member’s Social Security card. However, other acceptable forms include:

- An Indiana State-Issued Real ID. A Real ID can be a Driver’s License, Permit or State ID and can be identified by the star in the upper right-hand corner. This document can serve as proof that the client has an SSN number. If the SSN has not

been provided, the first nine numbers of the Real ID should be entered into the statewide database.



- United States Passport: A United States Passport can be used as proof of Social Security number. If a client shows a US passport, no further proof of SSN number is needed. The passport number is found in the upper right-hand corner of the passport. The passport may be expired.
- A letter from the Social Security Administration that provides the household member's name and full Social Security Number.
- A Social Security benefit letter (as long as the full number is provided)
- Any other **federal** form with the full Social Security number printed on it.
- W-2, form 1099, or pay stub that contains the full SSN, as long as it is not handwritten.
- Documentation from another eligible program. This documentation could be, but is not limited to:
 - Medicare Benefit Identification.
 - FSSA benefit letter.
 - U.S. Military Identification (i.e., DD214 or AF-retired military) (Do not copy; see section 3.4, *Who is Considered At Risk, Veterans and Military Personnel*).
 - U.S. Government Identification
 - Indiana Government Identification (e.g., Dept. of Corrections)
 - Benefit Statement.

All LSPs are required to retain a copy of the documentation used to verify the SSN. The first five digits of all Social Security numbers must be redacted before uploading to the statewide database.

Documentation prepared by the applicant or a third party cannot be used to validate the SSN information for any household members. Individual Tax Identification Numbers (ITIN) numbers cannot be used. Self-prepared tax forms (e.g., form 1040, Income Withholding, etc.) cannot be used.

3.7 Proof of Utility Payments

Households applying for the Water Assistance Program must show a current utility bill coded for residential use. LSPs must verify that the address of residency on the application and the proof of residency documentation is the same as the service or delivery address on the utility bill. However, the mailing address on the application or utility bill does not have to match the service address. This is because some individuals may

choose to have their mail sent to a P.O. Box or to a relative's address. LSPs are responsible for documenting the difference between the mailing address and service address.

Utilities must be in the name of a household member (eligible or ineligible), age eighteen (18) or over with these exceptions:

- The utilities are listed in the landlord's or property owner's name.
- Applicant is a person with a disability and the utilities are handled by a company or service.
- If utilities are listed in a household member's name who is temporarily in a correctional facility, nursing home or rehabilitation center, supporting documentation must be provided.
- Utilities are listed in a person's name but there is a court-ordered protection against the person.
- Utilities are listed in the name of a legal power of attorney. The power of attorney documentation must be kept in the client's file and have the name of the attorney and the name of the person who has the power to act on behalf of the principal person. The power of attorney must be fully executed.
- The utilities are listed in someone else's name because the applicant could not get the utilities listed in his or her name due to other reasons such as credit problems or unpaid bills. Applicant may still be eligible if service address corresponds with the applicant's residence, and an explanation is given as to why the utilities are not in the applicant's name. The applicant must complete and sign [Form UTIL-2023 – Utility Affidavit](#). LSPs should still make every effort to assist the client to get the utilities in his or her name.

The household will be ineligible for a utility benefit (either water or wastewater) if the bill is not listed in the name of a household resident or in the name of someone who qualifies under the above exceptions.

If an applicant fails to provide a utility bill with their application, the LSP is to attempt to contact the appropriate vendor and request the necessary documentation on the household's behalf. An applicant must not be denied a benefit or presented with an incomplete letter if the only documentation missing is proof of utility payments.

3.7a Combined Bills

Some municipalities have combined utility bills that combine water, wastewater, electric, and gas all on one bill. Normally, the combined bills are split out according to the utility type. However, if a client comes in without a split bill, the LSP must contact the utility company to get the information separated.

3.8 File Documentation

An LSP must ensure that all clients have been appropriately documented in the statewide database at the time of their initial application. LSPs should ensure proper

documentation if applicants have a disconnect notice, have been disconnected, or are in arrears.

Applicant File Documents include the following items, in order:

Standard Documents

- Signed Complete Application, date stamped when received by the agency. *Form ADDR-2023 – Water Address Change Form* if the applicant moves during program year
- Photo ID for head of household. Photo IDs for other members is optional.
- Proof of US Citizenship or residency (Social Security card, Real ID, or other documents)
- Proof of Indiana Residency (utility bill, applicant's Driver's license, or other documents)
- Proof of Income
 - Pay stub, W-2, 1040, etc.
 - Proof of Benefits
 - Bank Statements
 - Income Affidavit (*Form IVA-2023 – Income Verification Affidavit*)
 - Department of Workforce Development Wage Inquiry (for unemployment benefits)
 - Proof of child support payments
 - Other income
- Approval, denial, and incomplete letters

Supporting Documents

- Audit Checklist or QA documentation
- Declaration of Absent Household Members
- Doctor's letter for unborn child
- Power of Attorney Statement
- Documentation of communication with utility vendor
- Applicant Appeal letter
- Fraud investigation documents
- LSP Appeal response letter
- Other(s) as needed by LSP to determine eligibility and/or process the application

3.8a Scanning/ Uploading

The LSP must scan and upload all applicant files into the statewide database. These scans must include all relevant documents in the applicant file, including the signed statewide application. LSPs must not include any documents that are not relevant to the completed application file within the scan. LSPs are to be careful to not scan blank pages and to scan both sides of two-sided documents. LSPs are to scan all documents so that they are clear and legible. All file scans must be uploaded to the statewide

database within 45 days of eligibility determination, regardless of application status; however, LSPs are to make every effort to complete this within a shorter timeframe, bearing in mind the need to maintain their required QA percentage. File uploads being completed correctly and timely is part of the QA.

The LSP is to scan all supporting or supplemental documentation needed to determine eligibility or process an application. This includes all written communications. Notes are to be made for all actions the LSP made on behalf of the client. This includes but is not limited to contact with the client him/herself, contact with the utility company, and contact with IHCD. Notes may be made electronically within the statewide database, or they may be included in the form of handwritten notes captured within the file scan.

All documentation must have the first five (5) numbers of the SSN redacted. Scanned copies that are stored in the statewide database must be redacted.

The LSP is strongly encouraged to develop an internal LSP scanning/uploading tracking system to assure all applicant files have been uploaded into the statewide database. If the LSP is using the electronic backup system, scanned PDF files should be labeled using the application number to assure client confidentiality.

4. LIHWAP (Water) Income Eligibility

4.1 Household Eligibility vs. Benefit Eligibility

The LSP Intake staff must take care to observe the distinction between household eligibility and benefit eligibility. There may be some circumstances in which a household demonstrates that it meets the eligibility criteria for EAP, but the LSP is unable to release a benefit at the time of application. This is an important distinction to draw because verification of LIHWAP eligibility may be used to prove eligibility in other benefit programs, including the moratorium and Universal Service Program discounts. In these cases, it is important that the LSP determine and document the household eligibility, while marking the reason for any benefit ineligibility in the statewide database (e.g., primary heating source not operational or credit balance above program limits on a utility).

Because our policy only requires a household to verify eligibility once per program year, a household that has been determined to be eligible but was ineligible for a benefit may bring in proof that it is now eligible to receive the benefit later in the program year, and the LSP may release the benefit without redetermining household eligibility.

4.2 Who can receive LIHWAP benefits?

Water Assistance benefits are available to households with a combined income at or below 60% of State Median Income (SMI).

To be eligible for Water benefits under this program, an applicant must maintain residency and active utility service within the state of Indiana.

For Water purposes, a dwelling is defined as a walled structure roof with a kitchen, a bathroom, and at least one bedroom or living space permanently connected to the required utilities (including plumbing, electricity, and a primary heating source).

4.3 Identifying Household Members

4.3a Who Is Part of the Household?

Anyone living in the household continuously for the past three (3) months must be listed on the application. Below are some clarifications about who is considered a household member.

- **Marriages:** If a household member marries during the three (3) months prior to application, his or her spouse should be included as a household member on the application. The spouse's income is counted during the period of time that the couple was living together. Income that the spouse earned before the couple was living together should not be included.
- **Adopted Children:** Children who have been adopted must be counted as a part of the household. Assistance or stipends received for those children should not be counted as household income.
- **Births:** Household members born any time during the three (3) months prior to the date of application shall be counted as members of the household for the entire three (3) months. If a household member is pregnant and can provide a medical proof of pregnancy, the child can be considered part of the household, regardless of the projected date of birth. The household will be awarded points under the at-risk category based on this child.
- **Joint Custody:** Court documentation may indicate that both parents share legal custody of one or more children as part of a divorce decree or parenting agreement. Non-custodial parents may include their minor children (under age 18) as household members.
- **Roommates:** Any roommates or housemates should be counted as household members if they are living in the household at the time of application, even if they are not related to other household members or are not direct parties to a lease or mortgage. Their income should be calculated as part of the household income. Any rent collected directly by any other member of the household to be given to the property owner should not be counted as household income.
- **Adult Care:** If an elderly individual or individual with disability lives in the applicant's household and the applicant is paid to provide care to the individual, or if a caregiver resides full-time in the household of an elderly or disabled applicant, the caregiver and the care recipient would both be counted as

household members. This is because both individuals would have a direct impact on the water burden of the household. Any stipend received by the caregiver would not be counted as household income. Any other income received by the caregiver, as well as any countable income received by the care recipient, must be counted as household income.

4.3b Who is Not Part of the Household?

Households do not include people who are no longer residing in the household. Some examples of persons who are not counted are:

- Persons residing in homeless shelters, alcohol, or drug treatment centers, battered women and children's shelters, transitional dwellings, or group homes for the prior to application. Any income these persons receive should not be counted.
- Absent household members (out of the household for three (3) months or longer) is defined as any of the following:
 -
 - An adult listed on the utility, lease, or mortgage as a co-applicant for credit purposes, but who does not physically reside in the household.
 - An adult currently residing in a correctional facility (based upon legal or correctional institution documentation).
 - An adult living in a hospice, hospital, medical facility, nursing home, or rehabilitation facility.

If there are persons listed on the lease, mortgage, utility bill, or other supplied documents who are absent and do not live in the household, the client should explain where those persons are currently living; however, proof of where they reside is not required unless the LSP has reason to believe the adult may be in the household. The applicant shall complete [Appendix J - Declaration of Absent Household Members](#), located in the [PY2023 Indiana LIHWAP Intake and Operations Program Manual](#), or the intake worker must make notes in the EAP database. These persons should not be counted as household members. This form will confirm who is absent in the household. Absent members of the household can be any of the following:

- **Deceased Household Member:** If a household member died during three (3) months prior to the date of application, the deceased member should neither be counted as a household member, nor should his/her income for the three (3) month eligibility period be considered.

If the deceased person's name is present on the deed or parcel along with another household member's name, the LSP may process the application. LSPs should work with the applicant at a later date to remove the name of the deceased household member.

- **Divorced Household Members:** If applicants were divorced or separated within the past three (3) months, then income from the absent spouse may be excluded

and the remaining spouse counted as a single person for the full three (3) months prior to application. Documentation can be a divorce or separation decree or any other verification of separation. Applicants can also fill out [Form ABS-2023 - Declaration of Absent Household Members](#), in the place of a decree.

Household members who should not be counted, but may be present, are the following:

- **Drop-In Household Guests:** A drop-in guest is defined as an unexpected or casual visitor, family member, friend, etc., who has resided in the household fewer than three (3) months and who the applicant certifies will be in the home fewer than (3) months.

Drop-in guests are not to be included on the application. Drop-in guests are not counted as a member of the household or as part of the income calculations. If an applicant wishes to count a drop-in guest as a part of the household, the applicant must wait and apply after the guest has reached the three (3) month requirement.

If there is a question on the part of the LSP as to the status of any household member the LSP may require a collateral contact. This could be in the form of a statement from a neighbor, friend, or relative as to the living situation of the person(s) in question.

- **Foreign Exchange Student:** Foreign Exchange Students do not count as part of the applicant's household. They are considered an ineligible applicant. Any stipend received by the host family is counted as household income.
- **Foster Children:** Foster children do not count as part of the applicant's household. Any stipend received by the household for the children is not counted as income. If the foster children are adopted by the adults in the household, these children would be counted as household members.
- **Boarders:** Boarders are persons renting a specific defined space (e.g., a bedroom) within the residence of the water assistance applicant. If boarders are living in the household at the time of application, they are not counted as household members, nor is their income counted as part of the household income. Any rent collected from the boarders by any member of the household is counted as household income.

4.4 Who is *At-Risk*?

HHS mandates in Assurance 2 of the LIHEAP statute (see [Appendix D – Federal LIHEAP Statute](#)) that households with at least one member that is elderly (age 60 or older), disabled, or have a child five or younger be treated as priorities as vulnerable populations. Indiana has included those with Veteran's status to the *at-risk* categories. To qualify as *at-risk*, households only have to prove that they fit under one of the vulnerable

categories. At-risk points are only awarded once per household; however, all applicable at-risk categories must be recorded in the statewide database.

Persons with a Disability

A person is determined to be living with a disability if he or she receives benefits from the Social Security Administration (SSA). A household with any member meeting the definition of a person with a disability above is counted as a Disabled Household for EAP statistical purposes. A household member may automatically be considered a person with a disability if he or she receives one or more of the following benefits:

- Supplemental Security Income (SSI)
- Social Security Disability Income (SSDI)
- Veterans Disability
- Medicaid Disability
- Medical Assistance for Aged, Blind, and Disabled (MAABD)
- Railroad Retirement Disability
- Vocational Rehabilitation Services
- Black Lung Disability

SSDI are earned benefits that are paid to clients with physical or mental disabilities that will prevent them from working for at least twelve (12) months. The clients have worked and paid Social Security taxes long enough to qualify. These benefits can be paid to a child or spouse upon death of the client.

SSI benefits are paid to low-income clients who are elderly, blind, or disabled with little or no income. This program is designed for people with very limited income and assets.

If the person with a disability does not receive any of the above benefits, he or she may present a doctor's statement, along with a pending SSA application or appeal for benefits. The doctor's statement must indicate that the client is unable to engage in any substantial, gainful employment, by reason of any medically determinable physical or mental impairment which can be expected to result in death, or which has lasted or can be expected to last for a continuous period of twelve (12) months or longer. The doctor's note should not indicate the nature of the disability, or any other medical history. Instead, it should only state that the person has a disability that will last twelve (12) months or longer. If this method is used to provide proof of disability status, both the medical statement and the application or appeal for benefits are required. If information regarding the nature of disability or medical history is provided, it must be redacted prior to being uploaded into the statewide database.

If an applicant household member indicates on the application that they are disabled and they do not receive any of the above-listed benefits, the intake caseworker must follow up with the applicant and request a medical statement and SSA application or appeal for benefits. The intake is to document the outcome of this request in case notes within the statewide database. If the applicant household member is unable to or declines to provide documentation, the individual shall not be indicated as disabled in the statewide database.

Households with Elderly Persons

EAP considers households with elderly persons to be households containing a member sixty (60) years or older.

Veterans and Military Personnel

A Veteran household is defined as a household where any member of the household served or is serving for any length of time in any military service branch (Army, Navy, Air Force, Marines or Coast Guard) and received an honorable discharge if no longer participating in active services. Veteran and Military status can be illustrated with a DD214 form, VA benefit documentation, or military Identification reflecting current or previous duty.

Please note that it is illegal to photocopy a military ID. A military ID can be used to verify veteran status, but not copied. When a military ID is presented, veteran status should be noted the statewide database as verified but copies should not be made. If an applicant sends a copy of a military ID, it should be destroyed and noted in the client's file. Please see the following link for more information:

<https://www.defense.gov/News/Inside-DOD/Blog/Article/2061835/did-you-know-photocopying-a-government-id-is-illegal/>. Although there is an exception for government agencies who need to copy IDs for government business, this exception does not apply to EAP applicants. LSPs who have copied military IDs must remove all copies from electronic and paper files.

Please note that it is acceptable to copy military paperwork like DD214 or other paperwork showing military status. In general, LSPs can copy any military paperwork that does not have a photo, as long as redaction rules are followed.

These documents can be used to determine proof of veteran status:

- Form DD214.
- Veteran's Administration Identification Card (VIC).
- Active Duty Common Access ID card (typically white) – has an expiration date. Can be shown as proof but not copied. LSPs should destroy copies of Military ID cards.
- Reserve Uniformed Services ID card (typically green) – has an expiration date. Can be shown as proof but not copied. LSPs should destroy copies of Military ID cards.
- Retired Military Uniformed Services ID card (typically red or blue) – never expires.
- Military Separation/Retirement Orders.
- Veterans of Foreign Wars Card (VFW).
- American Legion membership Card.
- Veteran's Administration Disability Award Letter.
- A homeowner with a VA Loan.
- State Driver's License or Identification card with veteran identification.

Households with Children Age Five (5) or Under: Households with at least one child age five (5) or under are considered at risk. This includes households with a member that is pregnant at the time of application.

4.5 LIHWAP Income Computations

To begin the LIHWAP income computation process, it is essential to first check if the application is both EAP and Water or Water Only. If BOTH, send the applicant through EAP income eligibility. If they are EAP eligible, they are categorically eligible for LIHWAP, and no additional income verification needs to be complete. If the application is Water Only, then continue with the following.

The household income is the total income received by all household members aged eighteen (18) and above during the application period. The total household income is used to determine financial eligibility for benefits. Households are eligible with an income up to 60% of State Median Income.

It is the household's responsibility to provide accurate and complete documentation of income. It is the LSP's responsibility to assess the adequacy and completeness of that documentation and provide the applicant with a list of additional documentation needed to determine eligibility for benefits. Intake staff will encounter various forms of income documentation and should use their best judgment, with opinions from supervisors, in accepting or rejecting specific forms of verification. The LSP shall make notes in the EAP database when accepting documentation that may be considered less than ideal.

To calculate income, LSPs will consider the most recent three (3) consecutive months or thirteen (13) consecutive weeks of income. The LSP should use the documentation provided by the applicant whenever possible. If an application is incomplete, and time passes between the date the application was received and the date the application is complete that makes the income documentation out-of-date, the LSP must use the date the application was received to avoid having to collect new income information again.

The statewide database will treat this three-month income as a representative sample and will multiply the three-month income by four to calculate the annual income for eligibility determination.

Any income amount of one dollar (\$1.00) or less (e.g., an interest accrual on a bank account of ten cents [\$0.10]) may be excluded from income calculations.

4.5a What Is Counted as Income?

Income from Employment

There are several types of employment including:

- Wages (including salaries, tips, bonuses, and commissions)
- Irregular employment and odd jobs
- Self-employment income

- Profit from a business
- Military Allotments (except for combat zone pay)

Income from employment may be gross wages, salaries, commissions, bonuses, profit-sharing, cashed-out vacation or sick pay, tips, military allotments, pensions, self-employment, and other retirement payments such as private retirement plans. This kind of income can be verified using:

- Paystubs identifying the person whose income is being considered (i.e., Social Security number or name) and showing the income for the period being considered for the computations
- Written statements from employers stating the income for the period being considered for the computations
- Self-employment documentation (tax forms or self-declaration)

For a household whose members file taxes jointly and one is self-employed, and one is working, wages for the working member must be verified.

Paystubs

To promote consistency in how we collect and calculate income across the state, as well as to reduce the burden on applicants, LSPs are strongly encouraged to request only the most recent paystub from each employed household member and to use the information on this paystub to extrapolate the mean three-month income. **IHCDA defines the income eligibility period as three (3) complete months, or thirteen (13) weeks.**

LSPs are to calculate employment income based on the gross amount paid; however, if total gross and federal taxable gross income are both provided, the federal taxable gross income is to be used for the calculation. LSPs shall not manually subtract deductions to determine federal taxable gross if it is not supplied on the paystub.

Incidental, Unreported Income

Income that is not reported for tax purposes is nevertheless included in the calculation of the household's gross income. This income should be verified when possible. Applicants may claim this income using the first section of the Income Affidavit. The first section allows applicants to self-declare income if there is no documentation for this income, see [Form IVA-2023 – Income Verification Affidavit](#).

Self-Employment

Self-employment income is an individual's income from a private trade or business (including farming). If a household reports a member who is self-employed, his or her income must be verified by the Internal Revenue Service (IRS) Tax Form 1040 or IRS transcripts for the most recent, complete calendar year. Most recent is defined as taxes that were filed by April 15 of the current program year. To reference IRS tax forms, please see <https://www.irs.gov/forms-pubs>.

If the applicant cannot produce the most recent tax return, the applicant should self-declare income for the previous three (3) months. Other income that is not from self-employment must be documented (current paystubs, etc.).

For the purposes of determining eligibility for LIHWAP benefits, LSPs will consider gross income and profits before allowable business expenses and other adjustments are applied.

In addition to the Form 1040 – U.S. Individual Income Tax Return, applicants must provide one or more of the following schedules to complete the self-employment verification:

- Schedule 1 – Additional Income and Adjustments to Income
 - Summarizes what kind of income is included in the return and indicates which other schedules should be considered.
- Schedule C – Profit or Loss From Business
 - Use line 5, Gross profit
- Schedule E – Supplemental Income and Loss
 - Use line 3, Rents received, and/or line 4, Royalties Received
 - For Partnerships and S Corporations, use line 32, Total partnership and S corporation income or loss.
 - For Estates and Trusts, use line 37, Total estate and trust income or loss.
 - For Real Estate Mortgage Investment Conduits (REMICs), use line 39.
 - For Farm rental income or loss, use line 40.
- Schedule F – Profit or Loss From Farming
 - Use line 9, Gross income.
- Schedule SE – Self-Employment Tax
 - Use line 5a, Church employee income, from the Long Schedule SE if it is completed.

If the client's tax returns indicate that wages and business income were received, then the client must provide W-2s for the wages as well as schedules for the business income.

The Schedule C tells the LSP that at least one of the applicants had a business that did or did not make a profit. If the business did not make a profit, the applicant does not need to complete an Income Affidavit. If other household members are listed on the application and are not part of the Schedule C or do not have a 1099 and are claiming no income, however, they must complete a [*Form IVA-2023 – Income Verification Affidavit*](#).

Applicants who operate a business or have a home office with the same physical address as their primary residence must provide proof of a separate meter for business operations or evidence that the residence is not used solely for the purpose of the business. LSPs must make a reasonable effort not to fund a business account. If the business utilizes only a portion of the residence, the client may qualify for LIHWAP benefits if the household is income eligible. If the household presents a utility bill coded as a commercial account C, however, the household is ineligible for LIHWAP benefits on that utility.

Other Income

Income may be earned in other ways besides employment. Examples of different types of income may include, but are not necessarily limited to, the following:

Alimony Payments

Alimony, or spousal support, is a legal obligation on a person to provide financial support to their spouse before or after marital separation or divorce. The obligation arises from the divorce law or family law of each state. Alimony received by a client should be counted as income.

Black Lung Disability for Survivor of Recipient

The Black Lung Benefits Act (BLBA) is a U.S. federal law which provides monthly payments and medical benefits to coal miners totally disabled from black lung disease arising from employment in or around the nation's coal mines. Only when the recipient of the Black Lung Pension has passed away and the benefit is awarded to the survivor of the recipient should it be included as income.

Disability Payments from Insurance

An individual may have insurance coverage that pays a specified amount for a specific period of time during which he or she is unable to work because of a disabling condition. Such disability payments made by an insurance company directly to the individual are counted as income.

Indemnity health insurance plans pay a specified benefit to a person based on the number of days the person is hospitalized. Variations on indemnity health insurance include accident and cancer policies. These benefits are counted as income. The verified and documented amount of the benefit that is used for the payment of medical bills, however, may be deducted from the benefit in computing the household's income.

Dividends, Interest

Dividends or interest earned on financial assets are counted as income to the extent that they are realized (received) by the owner of the asset. Assets include savings accounts, interest bearing checking accounts, equity shares (mutual funds and stocks), bonds, and retirement accounts, or other similar accounts. Assets should not be considered for LIHWAP income calculations; however, any income from those assets over \$1.00 is to be considered.

Dividends and interest from financial assets can be verified by earnings statements from the financial institution. If a monthly statement is presented, take the monthly amount times three (3) to get the income for the last three (3) months. Tax Form 1099 for the previous calendar year is acceptable in the first four months of the current calendar year.

That portion of any savings instrument which represents the individual's contribution to the principle is never considered as income. Saved money has already been counted as it was received by the household.

For example, the principal withdrawn from a savings account or other cash asset is not used in income calculations. The principle is the amount of the asset that was contributed by the individual owner of the asset. If, however, that account was paying an interest payment of \$10 a month, that \$10 would be counted as income if the money were not compounding into the account.

Gambling Winnings, Awards

Winnings from any source of gambling or gaming is considered income including, but not limited to private gambling, the Hoosier Lottery, Power Ball, Mega Millions, horse racing, bingo etc.

Life Insurance Payments

Life insurance payments issued on a regular basis to a surviving household member should be counted as income. Lump sum payments, however, should not be counted.

Military Allotments

Payments received during a military deployment should be considered except for combat zone pay. The person who is deployed should be counted as a household member. Such payments are income and can be verified by a copy of the check, a check stub, or other documents showing the current amount.

Pensions and Annuities

Ongoing pension payments are counted as income. Most often, the employee and/or the employer pay retirement funds into an annuity account. Annuities are paid out after the person retires, usually with an option for lump sum payments or periodic payments.

Like Social Security, many retirement funds are also available to persons who become disabled, or to their surviving spouse and surviving minor children in the event of their death.

The most desirable documentation of a pension amount is a check stub. Care should be taken to use the gross amount of the pension check, since deductions, including income tax withholding, may affect the net. Pensions are usually “fixed” income that may be computed based on one month’s check.

Railroad Retirement and Railroad Disability Benefits

Railroad retirement and disability benefits are similar to Social Security benefits. However, these benefits are open only to former railroad workers, their dependents, or survivors. Railroad workers are entitled to participate in a federal retirement and disability program similar to Social Security. The railroad retirement program offers different and somewhat expanded benefits from Social Security, however. Additionally, the program is administered by the Railroad Retirement Board (RRB) and not by Social Security Administration (SSA). Both retirement and disability benefits are available and are counted as income. These benefits are administered by the Social Security Administration, and payments are often combined with regular Social Security if the person is eligible. These

benefits can be verified using the same methods as Social Security. Railroad benefits should be calculated based on the net amount.

Retirement

Any ongoing, recurring retirement payments are counted as income. A lump sum pension or retirement payment that represents the employee's contribution and/or interest is *excluded* as income.

Royalties

Royalties include payment for copyrighted or patented property of a household member, such as payments for the right to use copyrighted materials, licensed products, patented items etc. Royalties may be documented by statements or by contracts with the entity paying the royalty. Documentation of a period of income from the royalties may also be used.

Social Security Benefits

Benefits administered by the Social Security Administration include Social Security retirement benefits, Social Security disability benefits, and Supplemental Security Income assistance. These benefits may be recurring, regular or underpayments. Only benefits paid during the three-month calculation period should be counted. The net amount of the Social Security check, after the deduction for Medicare Part B premiums and/or Part D, overpayment recovery, tax withholdings, and child support garnishments, is to be used to compute income. Social Security benefits paid to a surviving spouse in the name of the surviving children are counted as income to the household.

Children under age 18 may receive benefits from SSA if they or one or both of their parents are disabled. Typically, this income is received addressed to the child in care of an adult payee. While LIHWAP generally excludes income received by individuals under 18, any SSA benefits received by a household are to be included as income. For the purposes of assigning income in the statewide database, these benefits should be assigned to the adult payee. If an adult payee's only source of income is a child's SSA benefit, the household member must complete an [*Income Verification Affidavit*](#).

The Social Security Administration sends SSA-1099's each January to everyone who receives Social Security benefits. 1099s are eligible documentation from January 1 – April 15. They show the total amount of benefit in the previous year and is used for tax purposes. Several versions of the 1099 are used, depending on the nature of the income transaction (i.e., SSA-1099-SM). Social Security beneficiaries can obtain replacement SSA-1099 form or other versions from *My Social Security* account at www.socialsecurity.gov or by calling 1-800-772-1213.

To verify Social Security income, any of the following documents may be used, in order of desirability:

- Social Security Award Certification Letter from the current year. If the client cannot provide a letter from the current year, the LSP is encouraged to assist the applicant in obtaining a current award letter if it has capacity to do so.

- Most recent direct deposit statement from a bank
- The most recent 1099 tax forms. If the income is calculated using the tax form, then the LSP should use the *amount paid for the current year or amount paid via check or direct deposit* and then calculate the income for the most recent 3-month period.
- A letter from the bank including the deposit amount and date of receipt, verifying a deposit from the Social Security Administration.
- Lump sum Social Security may be awarded for back payment. Determine the amount by pro-rating the entire award and then consider the most recent three (3) months. If there is no way to identify what time period the lump sum covers, it should be excluded from calculation.
- Report of Confidential Social Security Benefit Information (SSA-2458) or written verification from the Social Security Administration (SSA) with a Form L634 (cover letter) attached.

Strike Benefits

A union may award strike benefits to employees who are striking against their employer. Strike benefits are counted as income. They may be verified by statements from the union, or by a check copy or stub.

Unemployment Benefits

Unemployment Benefits are income that is available to individuals who have lost their job through no fault of their own and who are currently available for employment. Unemployment Benefits may be documented by any of the following, in order of desirability:

- Department of Workforce Development (DWD) Last Known Employer (LKE) report: This report can be requested directly from DWD. The report has several columns. LSPs must use the column "NET". This is the actual amount that the client has earned without tax or other withholdings.
- Uplink Unemployment Payment Summary- Deductions and entitlement amounts should be added to calculate gross benefit.
- If unemployment benefits are sent to an electronic benefit transfer debit card, a statement of benefits can be used to document the income. All tax or other withholding must be added in to calculate the client's gross income.
- 1099G from the DWD showing the previous year's draw of benefits.
- Note: The client cannot show bank statements because withholding and other taxes may already have been deducted.

Veteran's Benefits

Veteran's benefits should be counted as income. A copy of the most recent benefit check, an entitlement letter, or a statement from the Veterans Administration are all acceptable documentation of VA benefits. Veteran's Benefits also include the Dependency and Indemnity Compensation (DIC), a tax-free monetary benefit paid to eligible survivors of military service members who died in the line of duty or eligible survivors of veterans whose death resulted from a service-related injury.

Worker's Compensation

Worker's Compensation may be awarded to an injured employee or his survivors under state and federal statute. Benefits are paid either in a lump sum or, more likely, as a monthly payment. Benefits should be counted as income.

Worker's Compensation is either paid by an insurance company or by the employer out of a self-insurance fund. In either case, the individual should have an "Agreement to Compensation" form which states the amount of the benefit.

Worker's Compensation can also be verified by calling the Worker's Compensation Board of Indiana at (317) 232-3808. LSPs will be asked if they have a release of information form signed and on file.

4.5b What Is Not Counted as Income?

In computing a household's eligibility for LIHWAP, certain types of income are to be excluded. In addition, assets are not to be included. This includes assets held by and/or disposed of as a part of a household member's business. Unlike some other federally funded programs, there is no asset test or resource limit for LIHWAP. The total value of a household's assets does not affect its eligibility for benefits. Only the income produced by the assets is used in the eligibility determination. LSPs are to exclude the below types of income.

Income of Household Members Under Eighteen (18)

The income of any household member under 18 years old at the time of application is excluded from the household's eligibility determination. This would be such things like babysitting, mowing the lawn, or working a part-time after school job. If a household member is under age eighteen (18) but is emancipated, then that emancipated person becomes an adult, has his or her own household, and income is counted. For more information on Indiana Law concerning emancipation, see Indiana Code §31-34-20-6.

Income of High School/College Student

Income for high school students who are a dependent member of the household is not counted. High school student's income should not be counted, even if the student is over 18. Proof of enrollment in school or report card must be included.

Income from a full-time college student, up to age 23, who is a dependent of a member of the household should not be counted. Proof of student status, such as a schedule or letter that he/she is enrolled for 12 credit hours or more per semester, must be provided.

Black Lung Disability

When awarded to the recipient while he/she is still living, Black Lung Disability should be excluded when figuring income. As noted above, black lung disability is counted as income when awarded to a survivor unless the recipient is under 18 years of age.

Sheltered Workshop Employment/Work Centers

Income from household members who have worked in centers that are authorized to employ workers with disabilities at sub-minimum wages should not be counted.

Lump Sum Social Security Payments

Non-recurring or lump sum Social Security and Supplemental Security Income (SSI) payments should be excluded from income calculations unless part of the lump sum payment was for the three (3) month income calculation period. In that case, only the amount relevant to the three (3) month period would be counted.

Child Support

When an applicant receives child support, payments are excluded as income. If a client's only source of income is child support, then that client should be treated as a zero-income claimant. The client must complete a [*Form IVA-2023 – Income Verification Affidavit*](#) and provide supporting documentation.

When an applicant is paying child support, payments can be deducted from income. LSPs should look at pay stubs, bank statements, or letters from other government agencies to determine how much an applicant has paid in child support for the three (3) month period.

Loans

Loans to an individual are not counted as income. Loans include, but are not limited to, educational loans, car, home loans, reverse mortgages, money advanced on a credit card, etc. Any grant or loan to any undergraduate student for educational purposes made or insured under any program administered by the United States Department of Education is not to be considered income for the Water Assistance Program. This includes federal work-study grants or the Department of Veterans Affairs-Dependents Education Assistance Program.

Sale of Property

Any money realized as a result of the sale of personal property, regardless of whether the property in question is real estate or chattel, and regardless of whether a net profit is realized as a result of the sale, is to be excluded as income.

Medical Reimbursement

Reimbursement, from a third party, for medical expenses is not counted as income. Note that funds paid by a health indemnity plan for a person in the hospital, however, may be counted to the extent that it is not used to pay medical bills.

Employer-Paid Benefits

Employer-paid or union-paid portion of health insurance or other employee fringe benefits are excluded as income. Reimbursements for work or medical expenses (travel or mileage) are not eligible as income and should be deducted from any YTD gross wages.

Insurance Settlements

A one-time, lump sum insurance settlement payment for injury is excluded as income.

Retirement

A lump sum pension or retirement payment that represents the employee's contribution and/or interest is excluded as income.

Inheritance

An inheritance received in a lump sum is excluded as income.

Gifts

A cash gift to an individual that does not represent household support is excluded as income.

Non-Recurring, Lump Sum payments

Non-recurring, or lump sum, payments to a household (not an individual) for household support (living expenses) should not be counted as income. These payments are similar to gifts, which are not counted.

Savings Instruments Principle

That portion of any savings instrument which represents the individual's contribution to the principle is never considered as income. Saved money has already been counted as the household received it.

Capital Gains

A capital gain is a rise in the value of an investment or real estate that gives it a higher worth than the purchase price. The gain is not realized until the asset is sold. Capital Gains are not considered income.

Tax Refunds

Income tax refunds and Earned Income Tax Credits are excluded as income.

Veterans Reduction Assistance Allowance

That portion of Veterans Reduction Assistance Allowance which represents the veteran's contribution to the allowance is excluded. Veterans who served before December 31, 1977, have not contributed toward their benefits. This contribution will not exceed \$2,700 and can be identified by the Veterans Administration (VA) when verifying benefits.

To verify benefits, call 1-800-827-1000 and provide the applicant's VA file number. A Social Security number may be used as a last resort. The VA will verify the educational expenses (i.e., tuition, books, fees, transportation) which are excluded from income.

Veteran Clothing Allowance

Veterans who have unique clothing needs as a result of a service-related disability or injury may receive a supplement to their disability compensation. This stipend should not be considered as income.

Children of Vietnam War Veterans living with certain disabilities

VA benefits provided to children of Vietnam Veterans (including adult children) who were born with the congenital defect spinal bifida are excluded. Also, effective December 1, 2001, VA benefits to children of female Vietnam veterans born with certain other birth defects are excluded. The monthly monetary allowance is paid at a rate that is based on the child's level of disability.

Payments on a Household's Behalf

Payments made by others on the household's behalf are excluded, including payments for such items as car and health insurance payments, payments for rent, or payments for other household expenses made on the household's behalf. If money is given directly to the applicant on a regular basis it is counted as income. Occasional cash gifts, however, are excluded as income.

In-kind Payment to the Household

An in-kind payment to a household in lieu of payment for work is excluded from income computations, including the imputed value of rent from owner-occupied housing, food or rent received in lieu of wages, items received in barter for rent; or gifts received from an employer.

Benefits from Other Assistance Programs

In general, the cash and non-cash benefits received by the household from other social services programs are excluded as income. Some of the other assistance program benefits that are not included as income are as follows:

- **TEFAP**

The Emergency Food Assistance Program (TEFAP) the value of federally donated food commodities acquired through price support operations for school lunch programs or for distribution to needy individuals shall not be considered income for the purpose of determining eligibility for the Water Assistance Program.

- **Child Nutrition Programs**

The value of food provided under National School Lunch Act or other child related commodities distribution programs are excluded as income.

- **Elderly Nutrition Programs**

The value of food such as congregate dining and home-delivered meals are excluded. The value of elderly nutrition programs such as congregate dining, home-delivered meals, Senior Citizens Service Employment Program (Title V), and Experience Works (formerly Green Thumb) may not be treated as income or benefits for eligibility purposes under the EAP.

- **Childcare Assistance Payments**

Childcare Assistance Payments on behalf of the household are not considered income to the household. Childcare assistance paid to the household as a childcare voucher is not counted. Common types of assistance that should not be included are Child Care

and Development Funds (CCDF), Child Care and Development Block Grant funds (CCDBG), Social Services Block Grant funds (SSBG), At-Risk Child Care, Guaranteed Child Care, and Transitional Child Care.

When vouchers are received by a childcare provider as a form of payment for providing childcare, however, this is considered income for the provider.

- **TANF**

Temporary Assistance for Needy Families (TANF) replaced several forms of welfare assistance. TANF should not be calculated as income.

- **SNAP (Food Stamps)**

Supplementary Nutrition Assistance Program (SNAP) benefits, formerly known as food stamps, provided to a household or any of its members is excluded.

- **Medicare and Medicaid**

Reimbursements to a household for medical expenses are not considered income for the Water Assistance Program. The premium for Medicare Part B is not included as income.

- **Subsidized Housing**

The value of a housing subsidy is excluded. Rental assistance may include rent and a utility allowance toward the utility bills. The utility allowance is not required to be considered subsidized. Rural Development-funded properties are considered subsidized if the funding source provides a monthly rental payment. Other programs that may provide monthly rental assistance are, but not limited to, HOPWA, HOME TBRA, and HOME AGAIN, which are IHCD-funded programs. Local municipalities may have their own rental assistance programs that provide a monthly payment amount. Those programs are included as well.

- **Volunteer Service (VISTA, AmeriCorps, etc.)**

VISTA, ACTION, RSVP, Foster Grandparents, Senior Companion Program, Older Americans Community Services, AmeriCorps, payments to volunteers, living allowances, or education awards should not be included as income.

AmeriCorps is a network of national service programs which engage Americans in intensive service to meet critical needs in education, public safety, health, and environment. Created in 1993, AmeriCorps is part of the Corporation for National and Community Service, which also oversees Senior Corps and Learn and Serve America. AmeriCorps living allowances and education awards are excluded as income.

- **Job Corps**

The nation's largest career technical training and education program for low-income young people ages 16 through 24. Established in 1964, Job Corps serves approximately 60,000 young people each year. While enrolled in the program, students receive housing, meals, basic medical care, and biweekly living allowances that are excluded from income eligibility. Refer to www.jobcorps.gov.

- **Victims of Nazi Persecution**

Restitution payments made to individuals because of their status as victims of Nazi persecution shall not be counted as income, per Public Law 103-286 signed August 1, 1994.

- **Supportive Services for Employment**

The value of supportive services received under various employment and training programs is excluded as income. These programs include the Job Training Partnership Act, the Personal Responsibility and Work Opportunity Reconciliation Act, the Senior Community Service Employment Program, or similar programs.

Supportive services include payments made on behalf of, or through an individual for transportation, health care, special services and materials for persons living with a disability, childcare, meals, temporary shelter, financial counseling, and other reasonable expenses required for participation in the training program and may be provided in kind or through cash assistance.

- **Township Trustee Assistance**

All forms of township trustee assistance are excluded as income.

4.6 Special Income Situations

4.6a Applicants with Zero Income

Households in which any adults declare zero income for any or all of the previous three (3) months are required to complete a [Form IVA-2023 – Income Verification Affidavit](#) for each applicable member. Each person aged eighteen (18) or over who is not a full-time student and claims zero income must provide a description of how he or she met living expenses during that period. If there is no indication how a zero-income household meets basic living expenses, then no LIHWAP assistance should be offered. This is not meant to disqualify a household with no income, but rather to understand how the household survives and if case management services would be appropriate. Applicants with zero-income should be given a priority in case management services offered by the LSP. The income affidavit is to be completed in its entirety without leaving any blanks. If a line is not applicable it should be marked “N/A”. LSPs are to make every effort to encourage the client claiming zero income to leave a meaningful comment in every field, unless the LSP determines that it is truly not applicable. LSPs are to document why a particular field was determined not to be applicable.

4.6b Drastic Loss of Income

If a household is originally over the income threshold but indicates that there has been a drastic change in income due to the sudden loss of earnings within the three (3) months prior to application, the client is within the drastic loss period.

Examples of drastic loss may include, but are not limited to, plant or business closing, company downsizing, or lost employment income due to a medical condition that prohibits employment. Note that this does *not* include:

- Difference between an individual's part-time wages and what the person would have received for full-time wages
- Regular self-employment income (full time or main income source)
- Irregular self-employment income (part-time/occasional side work)

This policy does not apply to applicant household members who lose employment income due to voluntary resignation of their employment or involuntary dismissal for cause.

Income Calculation

Intake workers should treat these clients as having zero income, but the rest of the household income should be calculated as laid out in the manual and any other guidance issued by IHCD.

Documentation

LSPs shall request the applicant provide a statement from the employer, union, or workforce development that the person's employment has been terminated or interrupted. If the client is unable to provide this, the agency should attempt to verify and document through other means. A [Form IVA-2023 – Income Verification Affidavit](#) is to be completed.

Public Health Emergency

If a state or national public health emergency is declared and said public health emergency has a widespread impact on employment earnings, IHCD may use its authority to issue additional guidance and alter the Drastic Loss of Income policy in order to appropriately address the circumstances. Such guidance will be issued to the LSP network and posted on IHCD's website.

4.7 Income Level Determination

SMI, as opposed to Federal Poverty Guidelines, will be applied for all households regardless of household size.

- Compute the household's income for the most recent three (3) months.
- Locate the point on the chart where the income and household size falls to find the amount and the number of points to be awarded.
- Enter the number of points on the matrix (see section 5.3 for full matrix) under Income Points.
- The State Median Income guidelines are generally updated in June of each year. Indiana updates the guidelines in September before the start of the new EAP heating season each year.

- For current guidelines, see: <https://www.acf.hhs.gov/ocs/policy-guidance/LIHWAP-im-2021-03-state-median-income-estimates-optional-use-fy-2021>
- IHCD has provided income guidelines for households up to 10 individuals. For larger households, please see guidelines for calculation methodology or contact Community Programs.
- The State Median Income in Indiana for Federal Fiscal Year 2023 for a family of four (4) is \$89,578. Sixty Percent (60%) is \$53,515.

Income Maximum 60% of SMI			
Persons in family/household	1 Month	3 Months	12 Months
1	\$ 2,318	\$ 6,954	\$ 27,827
2	\$ 3,032	\$ 9,096	\$ 36,390
3	\$ 3,746	\$11,238	\$ 44,952
4	\$ 4,459	\$13,377	\$ 53,515
5	\$ 5,173	\$15,519	\$ 62,077
6	\$ 5,886	\$17,658	\$ 70,639
7	\$ 6,020	\$18,060	\$ 72,245
8	\$ 6,154	\$18,462	\$ 73,850
9	\$ 6,288	\$18,864	\$ 75,456
10	\$ 6,421	\$19,263	\$ 77,061

5. LIHWAP Benefits

LIHWAP can cover the dollar amount of all arrearages and fees to ensure the household is up to date on their water/wastewater bill. LIHWAP can also provide a benefit in the event a household does not have a past due balance. The client should submit their most current water and/or wastewater bill with their application.

The LSP should enter information into EAP Connect regarding the clients:

1. arrearages, including any funds covered under a payment plan and taxes on these items
2. deposits
3. reconnect or disconnect fees
4. current month bill

LSPs should NOT include any dollar amount for insurance, other utility costs, or other fees that are not associated directly with the provision of water or wastewater service.

LIHWAP will provide a benefit to cover the total arrearages, fees, and deposit amounts (Items 1, 2 and 3 above). Additionally, if the total amount of the LIHWAP benefit is greater than \$2,500 for a household, the LSP must request a waiver from IHCD to cover the full amount.

For PY 2023, LSPs will enter the bills current month charges into EAPConnect. This amount will be calculated into the benefit matrix (see section 5.3) where points will be awarded per category.

A waiver can be requested via email to water@ihcda.in.gov. The request must include the application number and the total dollar amount of the anticipated benefit. Once IHCD approves the waiver, the approval email must be uploaded to the client file prior to authorizing the transmittal of payment.

It is not required the LSPs make pledges to the water vendors before the transmittal process. However, if the LSP would like to make a pledge, especially in cases where a water disconnect is imminent, you are able to do so. IHCD recommends that LSPs do not make pledges to water vendors until November 1, 2022.

When applying benefits, LSPs are to apply benefits in the following order:

- LIHWAP Crisis Benefit - Past due balance
- Wastewater Added Benefit (if applicable)
- LIHWAP regular benefit - Benefit Matrix Calculation

5.1 Prohibited Expenses

LIHWAP will not cover the following expenses:

- insurance, other utility costs, or other fees that are not associated directly with the provision of water or wastewater service. This includes *sanitation (trash).
- water infrastructure repairs, including water pipe removal or replacement
- private well water/septic systems
- Tampering charges (diversion/illegal usage)
- Business or commercial accounts

*Sanitation and Sanitary are used differently amongst vendors. If you are unsure, contact the vendor to assure whether the term is used for sewer or trash.

5.2 Water/Wastewater Paid in Rent

LIHWAP funds cannot be paid direct to a client under any circumstances. All funds must be paid direct to the utility provider, and that provider must have an active MOA with IHCD to participate.

5.3 LIHWAP Regular Benefit - Benefit Matrix

The benefit computation is completed using the LIHWAP Benefit Matrix, see ***Form MTRX-2023-Water Assistance Program Benefit Matrix***. The matrix sections and instructions follow:

5.3a Household Information

Name of Head of Household:	
Application No:	County:
Household Income:	Date of Application:

Enter household and case identification as indicated.

5.3b Income Points Determination

Income Points are determined by comparing the household's income level and size to the State Median Income (SMI). Points range from 1-3 based on where the household falls on the following charts.

Category: Income Points Determination	Points Possible	Points Awarded
From chart	1,2,3	

SMI, as opposed to Federal Poverty Guidelines, will be applied for all households regardless of household size.

- Compute the household's income for the most recent three (3) months.
- Locate the point on the chart where the income and household size falls to find the amount and the number of points to be awarded.
- Enter the number of points on the matrix under Income Points.
- The State Median Income guidelines are generally updated in June of each year. Indiana updates the guidelines in September before the start of the new EAP heating season each year.
- For current guidelines, see: <https://www.acf.hhs.gov/ocs/policy-guidance/liheap-im-2022-04-state-median-income-estimates-optional-use-ffy-2022-and>
- IHCD has provided income guidelines for households up to 10 individuals. For larger households, please see guidelines for calculation methodology or contact Community Programs.

- The State Median Income in Indiana for Federal Fiscal Year 2023 for a family of four (4) is \$89,193. Sixty Percent (60%) is \$53,515.

Compute the household's gross income for the most recent three months available. Locate the point on the chart where the income falls and circle the income amount and the number of points to be awarded.

Enter the number of points on the matrix under Income Points.

INCOME MAXIMUMS Less than 30% of SMI: 8 points			
Persons in family/household	1 month Less than 30% of SMI	3 months Less than 30% of SMI	12 months Less than 30% of SMI
1	\$ 1,159	\$ 3,477	\$ 13,913
2	\$ 1,516	\$ 4,548	\$ 18,195
3	\$ 1,873	\$ 5,619	\$ 22,476
4	\$ 2,229	\$ 6,687	\$ 26,757
5	\$ 2,586	\$ 7,758	\$ 31,038
6	\$ 2,943	\$ 8,829	\$ 35,319
7	\$ 3,010	\$ 9,030	\$ 36,122
8	\$ 3,077	\$ 9,231	\$ 36,925
9	\$ 3,144	\$ 9,432	\$ 37,728
10	\$ 3,210	\$ 9,630	\$ 38,530

INCOME MAXIMUMS Between 30% and 45% of SMI: 6 points			
Persons in family/household	1 months 30% to 45% SMI	3 months 30% to 45% SMI	12 months 30% to 45% SMI
1	\$ 1,739	\$ 5,217	\$ 20,870
2	\$ 2,274	\$ 6,822	\$ 27,292
3	\$ 2,809	\$ 8,427	\$ 33,714
4	\$ 3,344	\$ 10,032	\$ 40,136
5	\$ 3,879	\$ 11,637	\$ 46,557
6	\$ 4,414	\$ 13,242	\$ 52,979
7	\$ 4,515	\$ 13,545	\$ 54,183
8	\$ 4,615	\$ 13,845	\$ 55,387

9	\$ 4,716	\$ 14,148	\$ 56,592
10	\$ 4,816	\$ 14,448	\$ 57,795

Income Maximum 45% to 60% of SMI: 4 Points			
Persons in family/household	1 Month 45% of 60% of SMI	3 Months 45% of 60% of SMI	12 Months 45% to 60% of SMI
1	\$ 2,318	\$ 6,954	\$ 27,827
2	\$ 3,032	\$ 9,096	\$ 36,390
3	\$ 3,746	\$ 11,238	\$ 44,952
4	\$ 4,459	\$ 13,377	\$ 53,515
5	\$ 5,173	\$ 15,519	\$ 62,077
6	\$ 5,886	\$ 17,658	\$ 70,639
7	\$ 6,020	\$ 18,060	\$ 72,245
8	\$ 6,154	\$ 18,462	\$ 73,850
9	\$ 6,288	\$ 18,864	\$ 75,456
10	\$ 6,421	\$ 19,263	\$ 77,061

5.3c Household Size

Points are awarded based on the household size.

Category: Household Size	Points Possible	Points Awarded
5+ Household Members	3	
3-4 Household Members	2	
1-2 Household Members	1	

- Award three (3) points for households with 5+ total members.
- Award two (2) points for households with 3-4 total members.
- Award one (1) point for households with 1-2 total members.

5.3d Current Water Charges

Points are awarded based on the current charges on the water bill provided with the application (this bill must be current to the application date).

Category: Current Water Charges**	Points Possible	Points Awarded
\$151+	3	
\$101-\$150	2	
\$51-\$100	1	
≥\$50 (\$50 or less)	0	

- Award three (3) points for water bills with current charges that are more than \$151.
- Award two (2) points for water bills with current charges that are between \$101-\$150.
- Award one (1) points for water bills with current charges that are between \$51-\$100.
- No points awarded for a water bill that has charges \$50 or less.

**Water current charges will be the total charges excluding the unallowable charges. All partial dollar amounts are to be rounded down (e.g., \$50.86 would be counted as \$50) in order to promote consistency and eliminate ambiguity. (See section 5.5 for credit balance instructions)

5.3e At Risk

Category: At-Risk	Points Possible	Points Awarded
Elderly (60+), individual with a disability, veterans, and/or children five (5) years old or younger.	1	

- Award one (1) point only if the household has a member who has at least one of the at-risk factor elements. Veteran status can be illustrated with a DD214 form, VA benefit documentation, or military ID reflecting current or previous duty.

5.3f Total Points

- Add all the points in each category to determine Total Points.
- Multiply that amount by \$25 per point and enter the subtotal.
- Enter the amount of any Crisis benefit that the household is to receive. (See section 5.4 Crisis LIHWAP explanation)

- If the Wastewater Vendor is NOT the same as the Water Vendor, add \$50 (to be sent to Wastewater Vendor on the applicant's behalf). If the same vendor, add \$0. (See section 5.6)
- Add the amount of the benefit from the awarded points and the crisis (if applicable) to determine the Total LIHWAP Benefit.

5.4 Crisis LIHWAP

Crisis for LIHWAP will be the amount of the water bills previous balance minus the total amount of unallowable charges. If the previous balance is more than one month past due, a calculation will need to be done to determine the amount of unallowable charges needing to be excluded.

To calculate the crisis LIHWAP benefit, LSPs will take out the unallowable charges based on the months past due. For example, if a bill is 2 months past due, all unallowable charges will need to be multiplied by 2 and then the total is removed from the balance.

An LSP may call the vendor to acquire more information and better detail about the past due amount or they can utilize the LIHWAP Calculation Tool (excel) created by the LIHWAP Monitor in PY 2022 (Updated 2023).

5.5 Credit Balance

If an applicant household has a credit balance more than \$250 at the time of the application, that utility will not be eligible for assistance until the credit balance is under \$250. Once the credit balance is under \$250 the client can come back and request the benefit if he or she meets the other program requirements.

For LIHWAP, if there is a credit balance, and it is below \$250, then this should be entered into the dwelling section as \$0 (arrearages section for water and/or wastewater). This \$0 will calculate in the benefit matrix as 0 points in the Current Water Charges section.

5.6 Wastewater Benefit

In LIHWAP, it is noticed that some applicants have separated wastewater bills and others do not. The benefit matrix gives priority to the water benefit as that is what provides the household with safe drinking water. For PY 2023, LIHWAP will award \$50 to a wastewater bill that is separate from the water. The benefit matrix will calculate this automatically based on the information input into the dwelling section (wastewater section).

The LSP may not apply regular benefit dollars to the sewer utility and less to the water utility when the sewer is greater. The wastewater will still be applicable for the Crisis LIHWAP benefits (previous balance), which will be applied first. The determination of the \$50 is awarded for the current charges.

6. IHCD Training and Guidance

6.1 Annual Water Assistance Program Training

IHCDA offers a training session annually on policy changes for the Water Assistance Program, as well as other practical concerns and issues. Each LSP is required to have at least one representative present for all such sessions at these trainings each year. LSP representatives are required to remain in the training for the entire duration of all sessions. LSPs will be held responsible for knowledge of all information and guidance shared at these training sessions.

6.2 Written Guidance Updates

IHCDA may, as needed, occasionally share newly developed or newly updated guidance with the network electronically (e.g., through an e-mail correspondence or through an electronic newsletter). Whenever IHCDA issues guidance, either through an explicit policy update memorandum or as part of a periodic electronic newsletter, it is to be treated as an amendment or update to the information contained within this manual. LSPs are responsible to integrate any information contained within these updates into their own policies and procedures from the time such guidance is sent by IHCDA. Policy guidance issued mid-program year will also be posted to IHCDA's website.

6.3 Additional Trainings and Meetings

In addition to the annual training session and the roundtables referenced above, IHCDA may occasionally offer additional meetings, usually narrow and specific in scope, or additional trainings on relevant topics. When these meetings or trainings are offered, LSP participation is recommended and encouraged, but attendance is not mandatory for all LSPs unless otherwise stated.

7. Program Operations

7.1 Internal Operations and Controls

This Intake and Operations Program Manual describes the LSP's minimum requirements for administering LIHWAP but does not provide information about how such responsibilities are to be performed. As such, this manual is not intended to relieve the LSP of the responsibility to maintain its own internal policies and procedures regarding administration of LIHWAP, nor shall it replace such policies and procedures.

Each LSP must have written policies and procedures that ensure accurate client eligibility determination, benefit approval, and protection of the funds from fraud, waste, and abuse. The Internal Operations and Controls document must outline:

- the LSPs processes for determining the difference between EAP income eligibility determination and Water income eligibility determination,
- any additional processes needed to determine Water benefit eligibility given the information included on Water and Wastewater bills in the LSP's region
- the LSP's process for identifying and responding to incidences of suspected fraud

These procedures will be reviewed during monitoring to ensure total internal compliance. Internal Operations and Controls must be updated at least annually by December 15th.

7.2 Quality Assurance Reviews

Each LSP is required to perform internal Quality Assurance (QA) reviews on a portion of their own applications. QA checks are to be performed by a staff member who did not have any part in handling or processing the original application. IHCD strongly recommends that QA reviews are performed by a supervisor or manager, or by a QA department. Any errors found during internal QA reviews must be corrected internally, and the corrected file uploaded to the statewide database.

IHCD requires that an agency maintain the following QA rates:

- At least ten percent (10%) of Water-only application files,
- At least ten percent (10%) of benefits determinations for categorically eligible Water benefit determinations.

QA reviews are to be performed within 45 days of the determination of application approval or denial.

IHCD requires LSPs to QA 100% of LIHWAP applications that contain a member who is or is related to an agency staff member, board member, or subcontractor.

During the program reviews, the monitor and/or monitoring consultants will ensure that all LSPs are compliant with these rules. The ten percent (10%) of quality assured files must be maintained from the beginning through the end of the program year.

7.3 Vendor Notification

Vendors must be notified of client eligibility. Notification of benefits follow the below procedure:

- The vendor must be notified of client eligibility once the application is fully approved by the LSP. The vendor is not to be notified prior to the benefit determination.
- If the household is ineligible or is pending eligibility determination, an LIHWAP benefit amount is not to be recorded on the application.
- Cities, towns, and municipalities require receipt of payment before the benefit is uploaded to the client's account according to auditing standards set by the State Board of Accounts.

- Clients should be notified that their LIHWAP benefit may take up to sixty (60) calendar days to process. Clients should be advised to continue paying their utility bills according to their regular schedules.

7.4 Transmittals

LIHWAP transmittals notify the vendor that a household is approved for a certain benefit amount. The transmittal and the LIHWAP claim submission are automatically created in the statewide database. All LIHWAP claims are to be remitted to utility vendors via transmittals within fourteen (14) calendar days from their approval date. Upon review and approval by utility vendors, transmittals are to be submitted to IHCD for payment within seven (7) calendar days of receipt. All LSPs are strongly encouraged to adhere to a weekly schedule for submission of transmittals both to vendors and to IHCD. The transmittal must be sent to the vendor by electronic transmission (email).

7.4a Transmittal Process

LIHWAP transmittals are generated by the LSP and sent to the vendor for review. LSPs must not provide sensitive information on the transmittal, such as the applicant's full or partial Social Security Number. If the vendor needs additional information, he or she must contact the applicant directly.

The vendor identifies any errors or changes. The returned transmittal from the vendor to the LSP should include:

- The approved or modified transmittal.
- The vendor signature page for electronic submission. Original or electronic signatures are not necessary on electronic transmittals.

The vendor signature on the LIHWAP transmittal certifies that the vendor has acknowledged the LIHWAP enrollment and credited or will credit the account.

LSP staff update information on the transmittal and update the client's case in the statewide database. The LSP should maintain a copy of the corrected transmittal.

Once the LSP makes corrections in the statewide database, the claim is submitted to IHCD via statewide database. The LSP should submit claims within seven (7) calendar days of receipt of the signed transmittal.

- Once the transmittal has been submitted to IHCD Online, no changes can be made. The LSP will need to send an overpayment remittance to make corrections. Quality assurance adjustments regarding household eligibility or benefit adjustment should be indicated in the statewide database.
- Utility vendors should anticipate transmittals for eligible clients no earlier than the first business day in November.

- Payment is processed in IHCD Online. IHCD is allowed 30 calendar days to process claims. The preferred method of payment is automatic clearinghouse (ACH), also known as direct deposit. Vendors may, however, request to receive paper checks.

7.5 Negative Transmittals

Any overpayments found during the internal QA process must be corrected in the statewide database (see 7.6, Corrections, Overpayments, Underpayments, and Refunds for more information). If a payment is due from the utility vendor for this purpose, the negative benefit should be recorded. When the negative transmittal is run, the LSP must send to the vendor as normal. The LSP may not submit the negative transmittal to fiscal until the signature sheet is returned. If the vendor has not returned the sheet or the error is caught outside of the QA timeframe, the negative transmittal must be accompanied by a check from the LSP using unrestricted funds.

7.6 Corrections, Overpayments, Underpayments, and Refunds

7.6a Correcting Documents

If an error occurs on documentation, the LSP intake staff must make the correction, scan the new or updated information, and make notes in the statewide database indicating what was changed and how the information was verified.

7.6b Overpayments

When a client is overpaid because his or her benefit is miscalculated, funds must be returned to IHCD in the following way:

- If the error is detected by the LSP's internal QA or monitoring within sixty (60) calendar days of the application's initial approval, the LSP must ask the vendor to remove funds from the client's utility account and return them to IHCD.
- Utility vendors have the option to decline the overpayment request if services and/or discounts have been rendered to clients. If utility vendors opt not to pay for overpayments or put charges back on clients' accounts, the LSP will be required to remit the funds back to IHCD from its unrestricted, non-federal, corporate funds. Federal funds such as LIHWAP, CSBG, or other federal funds cannot be used (see Section 14.7, CSBG funds).
- If the overpayment is discovered after sixty (60) calendar days of the application's initial approval, the LSP must repay IHCD. The LSP must submit a negative transmittal in the statewide database as notification for payment. The LSP will be required to send the funds back to IHCD from its unrestricted, non-federal, corporate funds. Federal funds such as LIHWAP, CSBG, or other federal funds cannot be used. IHCD will send a remittance for payment to the LSP.

7.6c Overpayment Notification

The LSP must send a written notification to the client stating that a portion or all of the LIHWAP benefit was revoked. This communication should include the LSP's reason. The client should be instructed to contact the utility vendor immediately to make payment arrangements and that disconnection may result otherwise. The LSP is to upload this notification into the statewide database.

7.6d Underpayment

If a client is due additional funds following a quality assurance or monitoring review, a claim must be entered into the statewide database and a transmittal must be submitted to the vendor for the additional funds. These additional funds will be paid out of the LSP's regular LIHWAP allocation and should be documented using the regular benefit claim process through the statewide database.

7.7 Benefit Transfers

LIHWAP does not allow for benefit transfers should a client move during the program year.

7.8 Closed Accounts

If a household moves out of the service area of their utility company, or leaves an open account with a balance due, the LIHWAP benefit may be applied to the balance before any credit is returned to the IHCD.

However, IHCD cannot pay on a closed or disconnected account. If the client receives a benefit after the account has been closed, then the money cannot be applied to the closed account.

For example, if the account was closed on January 31st and the LIHWAP benefit was transmitted on February 8th, then the utility company could not apply the money to the account. However, if there was a transmittal sent February 8th and the client closed the account on February 15th, then the benefit could be applied.

7.9 Final Bills

Because the purpose of LIHWAP is to ensure clients are connected to active service, LIHWAP cannot pay benefits on a utility account that indicates that it is a final bill and is scheduled to be closed. An LSP may release the benefit to the existing account if the utility vendor confirms that the account is no longer scheduled to be closed and service will continue.

7.10 Confidentiality and Security

Identifying applicants or clients as LIHWAP recipients in an open forum (i.e., sign in sheets) is a violation of an individual's privacy and discloses confidential information. An LSP may, however, identify individuals as customers.

All files should be easily accessible to appropriate staff without compromising confidentiality. For example, cabinets containing LIHWAP files should be locked. Computers must be password protected. Computers which LSP staff use to access client information should be shut down when not in use. Computer passwords to client databases should be changed at least every 60 calendar days. The computer network and laptops should be protected with appropriate and up to date security software.

Confidentiality must also extend to the internal procedures, processes, and outside contacts the LSP uses to administer LIHWAP. LSP staff should never conduct conversations concerning LIHWAP procedures in the presence of an applicant. Doing this may disclose internal procedures to the applicant. For example, LSP staff should not call a utility vendor to pledge payment while the applicant is listening.

Applicant or client files are for internal use only and should not be shared with any other local, state, or federal program outside of your organization. The information, however, belongs to the applicants or clients and can be provided to them, if requested. The client may then share that information with any person or organization he or she chooses. In addition, if the client wants the application discussed with an authorized representative, he or she must designate that authorized representative in writing. The client file must indicate that information was released to the applicant, client, or representative and include a copy of the designation in the file.

The LSP must strike out all but the last four digits of the SSN, if the copy is retained in the eligibility file, the statewide database, or any time the LSP releases information.

All client records are considered confidential and should be open only to authorized personnel. Such information cannot be shared with unauthorized individuals. Personal Identifying Information (PII) includes the following:

- Name
- Social Security Number
- Birth date
- Home phone number
- Home address
- Health information (note: no unredacted health records may be kept by LSPs)
- Citizenship status
- Disability status

LSPs are required to maintain completed Employee Confidentiality Agreement records for all staff who have access to any personal clientele information and/or access to the statewide database.

7.10a Records Retention

LSPs are strongly encouraged to maintain all records relative to the client's application during the effective period of each grant agreement and for a period of three (3) years from the date the LSP submits to IHCD its final close out form, or one (1) year from the resolution of any outstanding administrative, program, or audit question, or legal action, whichever is later.

LSPs shall protect all electronic and hardcopy documentation containing confidential client information. LSPs shall properly dispose of any electronic or hard copy documentation containing confidential client information after the required retention period. A proper disposal of this information is one that is reasonable and appropriate to prevent any unauthorized access to confidential client information. Approved disposal methods include:

- Burn, pulverize, or shred papers containing confidential client information so that the information cannot be read or reconstructed.
- Destroy or erase electronic files or media containing confidential client information so that the information cannot be read or reconstructed.
- Hire a document destruction contractor to dispose of confidential client information.

7.11 Vendor Responsibilities

LIHWAP utility vendors (vendors) may be any entity who supplies water or wastewater services.

Vendors are not allowed to deduct sales tax from the LIHWAP benefit. The full amount of the customer's utility bill is subject to sales tax. The client's LIHWAP benefit, however, may pay sales tax.

Funds are returned to IHCD only if the client's account is closed and the credit is due to the LIHWAP benefit, or if an overpayment is discovered.

To become a participating LIHWAP vendor, all utility vendors must complete a Memorandum of Agreement (MOA) with IHCD. These MOAs are signed every two (2) years. MOAs must be completed in their entirety and include payment (ACH (direct deposit)/check) information. Utility vendors cannot be paid if there is no MOA on file. All vendors are required to complete a W-9 tax form in addition to the MOA. If the vendor receives payments totaling \$600 or more, the vendor will receive an IRS tax form 1099 by January 31, detailing the total amount of payments received from LIHWAP if the utility falls into one of the following categories: Individual, Partnership, Limited Liability Company (LLC), Limited Partnership (LP), or Estate. To reference IRS tax forms, please see <https://www.irs.gov/forms-pubs>.

IHCDA facilitates the MOA directly with all existing vendors from the previous program year. Because the MOA is completed in a paperless format with digital signatures, LSPs should not provide a blank copy of the MOA to any new utility vendors or vendors who otherwise do not have an active MOA. LSPs should send an e-mail connecting the vendor representative and water@ihcda.in.gov in touch with each other so that the MOA process may be initiated.

8. LSP Financial Management

As a condition for receiving the LIHWAP grant, the State of Indiana is required to account for how the grant funds are spent. Local Service Providers participate in this process by providing fiscal and statistical information to IHCDA.

8.1 LSP Grant Agreements

All LSPs will enter into a sub-grantee agreement in order to administer LIHWAP. A contract will be created at the beginning of the program year, and amendments will be created any time funds are added or reduced to a grantee's budget. IHCDA uses an electronic signature system that eliminates the need for original paperwork with a wet signature.

8.2 Recording Water Assistance Benefit Payments

LSPs must not record LIHWAP benefits on their general ledgers. This is because LIHWAP benefits never actually go into the LSP's budget. Only Administrative Costs, Outreach and Eligibility Determination should be on the general ledger.

8.3 LSP Budgets

8.3a Allocation

The allocation for PY2023 LIHWAP funds to the Local Service Providers will be based as follows:

- IHCDA will allocate funds using the same formula as previous program years for EAP. This allocation is based on county-level Census data pertaining to poverty, as well as elderly and disabled populations, and is approved by the IHCDA Board of Directors
- If the federal appropriation exceeds the current projected amount, IHCDA will distribute additional funds on an as-needed basis.

8.4b Budgets

LSPs will inform IHCDA of their budgets in writing using the budget form, see [Form LIHWAPB-2023 – Water Assistance Program Budget](#). LSPs will submit a budget to

IHCDA at the initiation of the annual contract, its renewal, or upon a change of funding. LSPs may also need to submit a budget to adjust line-item balances. IHCDA will approve all budgets and subsequent modifications.

LSP Budget Requirements:

LSP Budget	Allowed Percentage
Administrative and Program Expenses	9% Limit combined
Administrative Costs (maximum 4% of total expenditures)	4%
Outreach	1%
Eligibility Determination	4%

8.4c Benchmarks

IHCDA will monitor LSP progress on spending LIHWAP benefits quarterly. IHCDA may initiate the process of recapturing funds if, upon review, it is determined that funds need to be re-obligated to address the need across the state.

8.4d Request for additional funds:

Currently there are no opportunities for requesting additional LIHWAP funds. IHCDA will monitor progress towards spending LIHWAP funds and will make this opportunity available if appropriate.

8.4e Budget Modification

An LSP may modify its budget when it changes the dollar amounts between line items. Budget modifications can be completed any time during the program year as long as the budget meets the percentage requirements. Original signed budget modifications are not necessary. LSPs can email budget modifications.

8.4f Claims

LSPs must claim reimbursement for LIHWAP obligated funds from IHCDA for Administration, Outreach, and Benefit Determination through IHCDA Online.

Claims that go over the maximum percentage of a particular line item will not be reimbursed by IHCDA. IHCDA will reconcile claims at the end of the program year to check percentages.

8.5 Line-item Descriptions

8.5a Benefits

Benefits go directly to the vendors on behalf of the client's account. IHCDA will reconcile benefits at the end of the program year to check benefit spending.

IHCDA considers LIHWAP funds to have been obligated by the LSP at the time that a benefit notification letter has been sent to the applicant.

8.5b Administrative Costs

Administrative Costs will cover overall administration and operation of the program. Administrative costs are defined as the LSP costs to accurately conduct intake, eligibility determination, vendor communication, data entry and reporting, and other associated costs.

LSPs may budget and use up to four percent (4%) of their total LIHWAP budget for Administrative Costs. Eligibility includes:

- LIHWAP administrative functions, including but not necessarily limited to program planning, staff training, reporting, and the LIHWAP portion of costs such as rent, utilities, maintenance, and general supplies.
- LIHWAP service delivery functions, including fiscal, executive, supervisory, and support operations.

Administrative Costs may also be used to pay for the following uses if the LSP has depleted its Outreach and Eligibility Determination line item:

- Supplies that are directly associated with LIHWAP intake/eligibility determination or program/client outreach.
- Payroll for line-level staff spending 100% of their time completing LIHWAP intake functions, including eligibility determination and verification, application processing, and program/client outreach.
- Technology expenses solely and directly associated with LIHWAP eligibility determination.

Note that the four percent (4%) figure is based on final expenditures, not on initial budget. Although LSPs may assign up to 4% of its budget to this line, underspending on the total budget may lead to expenditures in Administrative Costs to go above 4%. If this line is overspent by percentage at closeout, the LSP will be obligated to repay the difference out of unrestricted, non-federal funds.

8.5c Outreach

The Outreach line item is to be used to do general program marketing and outreach. This does NOT include client benefit notification letters. However, this does include sending application packets to past EAP clients, doing outreach in high-density postulations that may need access to paper application, speaking engagements regarding the water program and any other written or in person outreach to raise awareness of the program.

LSPs may budget and use up to one percent (1%) of their total LIHWAP budget for Outreach. The LSP's allowance for Outreach is not tied to expenditures.

8.5d Eligibility Determination

Eligibility Determination is defined as costs that are specific to the delivery of the Water Assistance Program and do not otherwise contribute to the overall operations of the agency, nor to any other program. This applies to payroll for line-level intake staff, supplies that are needed by LIHWAP intake staff to complete eligibility determination, and technology needs that will only be utilized by Water Assistance Program staff.

Indirect and allocated costs may not be charged to the Outreach and Eligibility Determination line.

- Payroll for management and supervisory staff may NOT be charged to Outreach and Eligibility Determination, even if that manager or supervisor oversees LIHWAP.
- Rent, utility, or other facility costs may NOT be charged to the Outreach and Eligibility Determination line, even for office locations that only provide LIHWAP-related services.

LSPs may budget and use up to four percent (4%) of their total LIHWAP budget for Eligibility Determination. If an LSP depletes its Outreach and Eligibility Determination line, it may charge these items to its Eligibility line. However, the inverse is not true; Administrative Costs may not be charged to Outreach and Eligibility Determination if they do not meet the definition in the preceding paragraph.

The LSP's allowance for Eligibility Determination is not tied to expenditures.

8.6 LSP Online Claims Submission

All service providers must submit claims at least monthly for their administrative expenses, Direct Program Expenses, and benefit payments made by the LSP. All claims and supporting documentation are submitted online at IHCD Online <https://online.ihcda.in.gov>. LSPs should reference the IHCD Claims Manual located on the IHCD Partner site at <https://www.in.gov/ihcda/program-partners/claims-submissions/> or <http://www.eap.ihcda.in.gov> for assistance.

When filing a claim for expenses, LSPs should include reports or registers from accounting software, as well as purchase orders, invoices, and receipts where applicable. The documentation must support expenses that are being claimed.

8.7 Closeout

The grant cycle for the water assistance program closes on September 30, 2023. Any funds that are not expended by the LSP will be returned to IHCD at the end of LIHWAP. To close out the grant, the program's allocation spreadsheet and budget forms will be reconciled to the closeout form, see [Form CLOSE-2023 – Water Assistance Program Closeout Form](#).

8.8 Procurement and Inventory

All 2 CFR Part 200 Rules for Procurement activities should be conducted in a manner consistent with open and free competition. Each LSP must develop its own procurement standards based on its organization's procurement policies.

9. Monitoring and Compliance

The state is responsible for monitoring fiscal and program performance of the subgrantee's. IHCD LIHWAP monitoring, seeks to ensure each LSP has the capacity to administer the program effectively as well as for IHCD to meet its federal obligation. To accomplish this, the monitoring covers the complete content of the LIHWAP Program Manual, LIHWAP Award Agreement requirements, as well as any issued LIHWAP Policy Guidance during the program year.

Proper oversight and monitoring of LIHWAP funds is important to ensure compliance with federal and state LIHWAP policies, procedures, and law. Monitoring can also be important in identifying additional controls and procedures that could strengthen a service provider or the overall program. The state is responsible for monitoring fiscal and program performance of the subgrantee's. Additionally, the state must ensure their own compliance with federal and state policies because it is subject to periodic monitoring by federal staff.

9.1 Monitoring Season

When the LIHWAP season officially begins in November, the Water Monitor performs a courtesy "spot check" of files for LSPs that are participating. There are no punitive actions that result from items observed during the spot check. The process is designed to be educational in nature and make the LSP aware of possible issues so they may be corrected, and additional staff training provided, as needed.

The compliance monitoring season for LIHWAP runs approximately from January through October. IHCD will monitor all LSPs each program year.

9.2 Monitoring Process Overview

The review is conducted by the IHCD Community Programs Monitors (LIHWAP). The IHCD Community Programs Water Monitor will serve as the agencies' point of contact, oversee the complete process including issuing all reports, interviewing the LSP

LIHWAP Manager, collecting documentation, and evaluating compliance. The monitor ensures compliance with existing policy, they do not set policy. When guidance or an interpretation is required, the LSPs must contact water@ihcda.in.gov prior to the action and document those determinations in the applicant file.

Notification of the desktop monitoring will be sent at least thirty (30) calendar days prior to the beginning of the monitoring session.

9.3 Monitoring

As a part of Indiana's program integrity plan, IHCDA, will review each LSP's proper application of LIHWAP operations. This includes a variety of review activities, including but not limited to:

- Analyzes all components of the application for completeness and accuracy.
- Allows the LIHWAP staff opportunities to explain their Quality Assurance (QA) review process, customer service strategies, training, and outreach activities for at-risk clients, crisis timelines, intake procedure for internal applications and general program management.
- The LSP has properly followed written procedures, applicable laws, regulations, Assurances, and award agreement terms.
- Internal procedures and controls are in place to minimize the opportunity for fraud, waste, abuse, and mismanagement.
- The LSP has the capacity to carry out the program's goals and objectives.
- Ensures that LIHWAP applications are remitted via transmittals to utility vendors and that transmittals are submitted to IHCDA after receipt from the utility vendors within the allotted timeframes.

IHCDA randomly selects up to ten percent (10%) of the LSP's client files for review.

9.4 LSP Responsibilities

The LSP is responsible for actively participating in the monitoring session. LSPs shall ensure the following occur:

- Attend the entrance and exit conference held by the EAP Monitor.
- Upload program participant information into the statewide database
- Submittal of requested documents by the established deadlines
- Ensure on-going and timely communication with the monitor(s)
- Be respectful of the monitors as they carry out their duties
- Access to all program related files and information, as requested

9.5 Monitoring Report

All identified eligible findings* will be contained on the monitoring report. Each LSP will receive a copy of the monitoring report within thirty (30) calendar days from completion of the exit conference. The monitoring report will include the number of files reviewed,

the application number, type, and description of deficiencies, amount of benefits to be paid to clients, any funds which should be repaid to IHCD, and best business practice recommendations.

*Findings are program deficiencies that require corrective action, known as “action items”.

9.5a Recommendations

Recommendations are not mandates. A best business practice recommendation is to be considered by the agency as part of their continuous improvement efforts. Recommendations are not based on a violation of policy or procedures but may aid in stronger operations and capacity building, if enacted.

9.6 Monitoring Report Response

The LSP must either Accept or Informally Appeal ([Refer to Section 16.7](#)) the listed Findings. The LSP will have ten (10) calendar days from the receipt of the monitoring report to submit any written response to IHCD's Community Programs Monitor-LIHWAP.

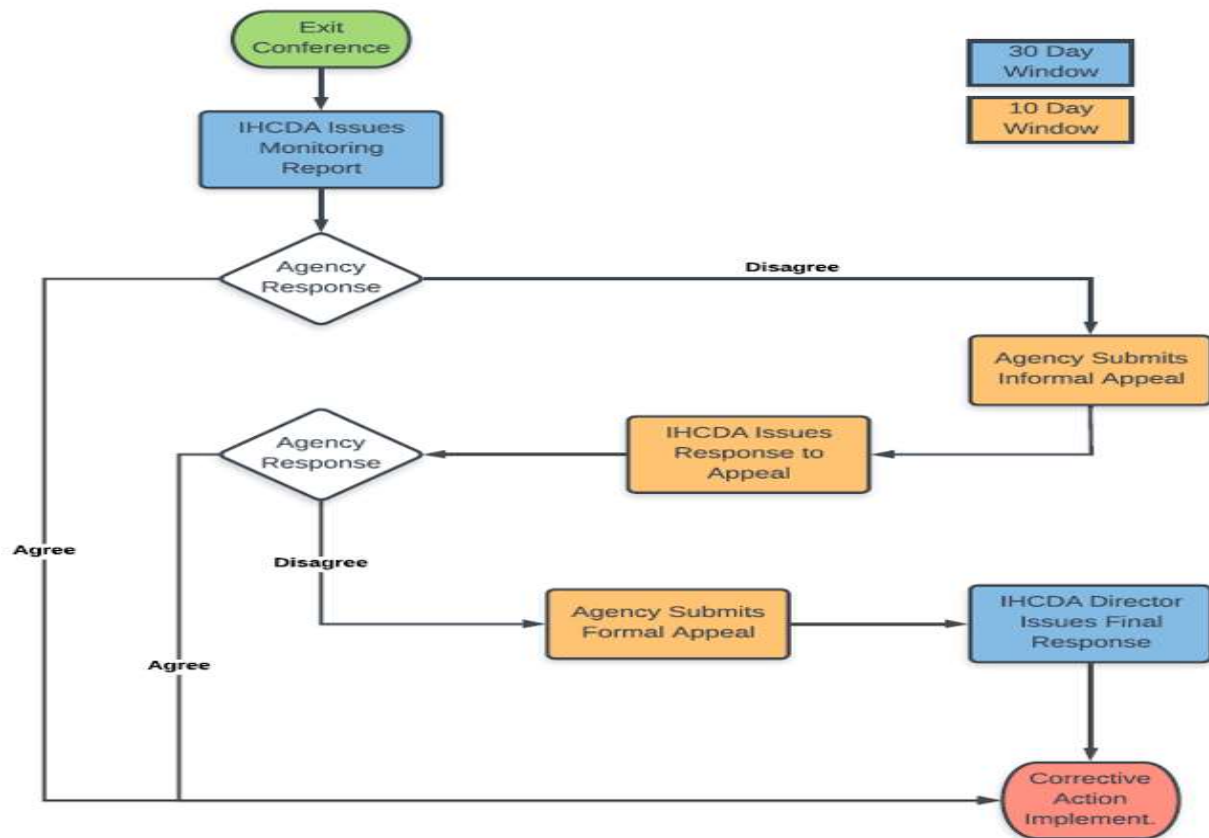
Corrective actions taken on items identified prior to or at the exit conference are not eligible for appeal. These items have already been acknowledged as a finding by the LSP by making the necessary correction.

9.7 LSP Monitoring Appeals Process

If the LSP informally appeals (disagrees with) any item on IHCD's LIHWAP Monitoring Report, the LSP must send an Informal Appeal to the Community Programs Monitor-LIHWAP via e-mail within ten (10) calendar days of the receipt of the monitoring report.

1. IHCD's Community Programs Monitor-LIHWAP will respond within ten (10) calendar days of receipt of LSP's informal appeal to the Monitoring Report.
 - a. If IHCD agrees with all items identified in the LSP's Informal Appeal, the LSP will receive a revised monitoring report that it will use to ensure all actionable items are completed.
 - b. If IHCD does not agree (in-full or in-part) with the LSP's informal appeal, the LSP will receive an IHCD Informal Appeal Reply. The response will acknowledge which findings have been approved or still stand as identified.
2. The LSP will provide a second response within ten (10) calendar days to IHCD's Informal Appeal Reply.
 - a. If the LSP agrees with the decision, the LSP's second response is to be sent to the Community Program Monitor- LIHWAP acknowledging acceptance.
 - b. If the LSP disagrees (in-full or in-part) with IHCD's informal appeal reply, the LSP may submit a Formal Appeal in writing to the Director of Community Programs. The Director of Energy and Utility Programs will review the formal

appeal and provide a written decision within thirty (30) calendar days. Whatever decision made is final.



9.8 Desktop Monitoring Completion

The LSP will take Corrective Action to address the findings identified during the monitoring review. The LSP will have thirty (30) calendar days to provide to IHCDCA any payments and supporting documentation agreed upon in the report. The corrective action may include, but is not limited to:

- Crediting funds to a client's account
- Paying funds to IHCDCA because of an overpayment
- Reviewing an application to verify that portions of the application were properly processed
- Attempting to collect a debt
- Developing tools to assist LSP intake staff

The LSP will receive a Monitoring Completion Letter once all completed corrective actions have been accepted, documentation of credits to clients, and copies of checks paid to IHCDCA have been submitted.

It is the responsibility of the LSP to provide the Community Programs Monitor – LIHWAP with all required documentation, including payments, that supports that all requirements have been met within the required timeframe.

9.9 Monitoring Return of Funds Process

Step 1

- Select Awards Claim Management
- Create Claim
 - Select Award (LIHWAP) i.e., WAT-022-0__ or WAT-ARPA-022-0__
(NOTE: for the program year of the refund)
 - Select Transaction Type (Return of Funds)
 - Click on “Create”
- Click on the word “claim” (at the top of the next screen)
 - Enter amount on appropriate line item that you are returning to IHCD
 - In the comment section enter “Return of Funds due to EAP Monitoring Finding”
 - Click “Save” (at the bottom right hand of this screen)
- Go to the Supporting Documentation tab (at the top of that same screen)
 - Upload the supporting documentation required by the EAP Monitor
- Click on the “Summary Tab” (at the top of the same screen)
- Click “SUBMIT Claim” (on the bottom of the screen)

Step 2

- Make check payable to IHCD
- Place the receipt number from the Awards Claim List in the memo
- Mail check to:
 - IHCD, Community Programs Monitor-LIHWAP, 30 South Meridian Street, Suite 800, Indianapolis, IN 46204.

10. Consumer Protections

As an LSP, it is important to know the rights of the clients you serve. The MOA that the vendor will be required to sign to participate in the LIHWAP program will include the following consumer protections:

- 1) **Application of Funds to the Household.** The Vendor will apply funds provided by the Water Program to the household on behalf of which the funds were provided. The Vendor will then charge the eligible household, in the normal billing process, any difference between the actual amount due and the amount of the payment made by IHCD.
- 2) **Reconciliation.** The Vendor will provide written reconciliation and confirmation to IHCD upon request that benefits have been credited appropriately to

households and their services have been restored on a timely basis or disconnection status has been removed if applicable.

- 3) **No Adverse Treatment.** No household receiving assistance under this grant will be treated adversely because of such assistance under applicable provisions of state, territorial or tribal law or public regulatory requirements.
- 4) **Restoration of Service.** The vendor must restore any disconnected services for an approved applicant within **three (3) calendar** days of receipt of payment from IHCDCA on behalf of said applicant.